

EREG Public Consultation Paper on Draft Guidelines of Good Practice on Regulatory Aspects of Smart Metering for Electricity and Gas

GrDF comments

INTRODUCTION :

GrDF welcomes the initiative of EREG to propose some Guidelines of good practice to monitor the roll-out of smart metering for Electricity and Gas.

This document will be very useful to support the different studies and the potential deployment of smart metering across Europe as required in the 3rd Directive. Nevertheless, it is clearly established that the responsibility is given to each Member State to adapt the roll-out depending on local specificities.

GENERAL REMARKS :

We want to begin our comments to point out the confusion introduced into this document by the comparison between electricity and gas while there are objective differences in terms of technical, functional and economics solutions.

The main differences between electricity and gas that have to be kept in mind throughout the document :

- Unlike electricity, **Gas meters measures only the volumes and not energy.**
Today, mainly for economic reasons, the measurement of the calorific value of gas at each delivery point isn't realistic.
- Considering household consumers, gas is only used for cooking, hot water and/or heating. **So the interest for the consumer to manage his gas consumption in real time is limited.**
Of course, some actions to save energy have to be managed, but more on maintenance side or on new equipment side (boiler, regulation,...). In order to manage these actions, consumers don't need a real time information on their consumptions.
- Due to the non storage specificity of **electricity**, the balancing management is a key in



electricity and one of the consequence is an **extreme volatility on cost production on hourly basis** (in fact half-hourly or less). For the gas it's completely different, the network react more slowly and the balancing management needs less variation on injection than for electricity.

Another important difference between electricity and gas is that the smart meter for gas requires **the use of a battery**. Due to this specificity we have to pay attention to functionalities which have an impact on the lifetime of the battery (and then on costs), such as frequency of communication, closing or opening a valve,...

- For these reasons, for gas, daily information is largely enough in many cases, unlike electricity.

To be effective, most of the recommendations need to have an **active participation of all the actors** : DSO, Supplier and Consumer, party by party and above all together. A specific attention should be paid to the global communication system between the different counterparts and to the effective realization of a more frequent information to the consumer.

We agree with ERGEG which underlines about the **MID** that doesn't cover all the parts regarding smart metering efficiency.

But our view is that the MID covers perfectly metrological aspects of meters and that the others aspects needed by smart meters (such as communication protocol) are to be studied inside the mandate M/441.

However it's important to remind that in case of problem (transmission problem, customer claim,...) a physical reading on display can be used. This is a fundamental right and a basic protection of the customer that has to be maintained.

Even if some guidelines of good practice on regulatory aspects of smart metering could be established at an European level, **the technology and the precise business plan to roll-out smart metering have to be decided on a national level** in order to take into account country specificities (network organisation, meter localisation – outside or inside house -, climate and consumption level,...).

CUSTOMER SERVICES - GAS :

Recommendation 17. Information on actual consumption, on a monthly basis

As we have already said, meters give information on volume consumption.



We agree with the recommendation to have energy consumption on a monthly basis. DSO will make available this data to the supplier by the communication system.

To be incentive, the customer should receive this information.

Recommendation 18. Accurate metering data to relevant market actors when switching supplier or moving

Maybe the title of this recommendation could be changed in “accurate metering data to relevant market actors when needed by a contractual change”.

There are additional cases which need to have an accurate metering data, such as tariff change (regulated tariff or else).

We consider that smart meters must allow the use of accurate data for each situation mentioned above.

Recommendation 19. Bills based on actual consumption

We completely agree that customer should no longer have to accept estimated energy bills.

But some flexibility has to be given in case of technical problems on the communication system.

Never the less, a lot of customers will continue to benefit from monthly equal payments and don't use the new datas for their payments.

Recommendation 20. Offers reflecting actual consumption patterns

Considering :

- uses of gas in household market (only cooking, hot water and/or heating),
- demands of consumers and suppliers (data on monthly basis),
- market price structure,
- lifetime of batteries,
- costs on the communication and storage system,

we consider that **an interval metering of one day** is completely sufficient for basic services.

If the communication system is designed to read the meter on a daily basis, recommendations 17 to 20 will be fulfill automatically, at least on volume aspects.

On energy consumption aspect (which needs calorific value on a daily basis), we think that this information could be available daily only on demand and certainly with a fee because of the necessary investment on computer system. The information would not be possible on the meter,

but in the information system.

Recommendation 21. Access on customer demand to information on consumption data

This recommendation could be separated in two parts :

- with a special access on securised Website, possibility for the consumer to recover the last data available – on a daily basis - about its volume consumption but with no transformation in energy,
- following a special demand and with the agreement of the consumer, possibility to give to the supplier or any party nominated by the consumer, historical data about energy consumption (for example : monthly consumption of the last 12 months or daily consumption of the lasts 2 months).

Because of the development and operational costs, these services should be subject to a fee and this recommendation should probably be transferred from the minimum customer services to the optional services, at least for the second part mentioned above.

Recommendation 22. Hourly flow capacity reduction/increase

This recommendation seems to come from a parallel with electricity.

As we think this recommendation isn't helpful for either the consumer nor the supplier nor the DSO and would need specific equipment on the meter, we propose to left out this recommendation.

Recommendation 23. Activation and de-activation of supply

In France, NRA and DSO consider that a gas valve within residential gas meters is not recommended and appropriate for 11 millions of customers.

Three main reasons push us to avoid the integration of a valve :

- Customer services reason : DSO in France prefers not to use valve to disconnect customers in case of unpaid debt. As far as we require the customer to be present for re-connection, the benefits on physical intervention are limited.
- Economical reason : a valve is very expensive and increase the price of the whole project by about 20%. The impact on battery is important too and must be taken into account.
- Technical reason : we do not consider that technology is mature enough to guaranty a complete security corresponding to the French standards.

As a conclusion, we can say that we propose to left out this recommendation as a standard for the totality of future smart meters.

Nevertheless, at Member state level it can be let the possibility to develop this functionality for a small part of customers, if suppliers ask to do (customers or suppliers would perhaps pay specially for the service) and if there are enough guarantees on security aspects. This would however represent a very limited number of meters.

Recommendation 24. Alert in case of high energy consumption

It's difficult to see what is the aim of this recommendation. We think that it should be precised.

ERGEG write "immediate information on a malfunction or a sudden high increase in consumption could be transferred to the customer".

As far as the smart meters installed do not communicate in real time, comparisons in consumption could be made only at best once a day. Consumption can change very much in relation with weather and temperature. What could be the criteria to determine the alert level ? Is it if the consumption is higher than the capacity of the meter ? Is it a difference of 50% from a day to another ? It seems to be very difficult to determine, and must not lead to questions about gas safety.

Recommendation 25. Interface with the home

We agree with the principle of this recommendation which encourage the development of home automation for a better information of the customer.

However we point out the fact that in some countries, such in France, a lot of meters are located outside the house at the border between the property and the street. It's very difficult for the customer to see his meter.

It's the reason why interface between the meter and home automation couldn't be only a gateway on meters. Other technical solutions are to be studied before a definitive answer. Precisions must be given on the real need of datas by customers, suppliers and other stakeholders before trying to standardize the technical answer.

Recommendation 26. When making a cost benefit analysis, an extensive value chain should be used

We totally agree with this recommendation which is a very important step before deciding a roll-out plan.

About the different points listed in the potential benefits for customers, we think that B), C), D) and F) item are suitable for electricity but not for gas.





Same comment for point K) listed as a potential benefit for network operators.

In contrast we think two items should be added :

- Decrease of complaints number, time and costs associated for customer
- For network operators : process optimisation / savings of operational costs

No special comments on Recommendations 27, 28 and 29.

