

# An ERGEG Public Consultation Paper on Smart Grids Ref: E09-EQS-30-04 - 10 December 2009

## Altroconsumo contribution

### Section 1 – Introduction

1. Do you consider that networks, transmission and distribution, are facing new challenges that will require significant innovation in the near future? **Yes, they do.**
2. Do you agree with the ERGEG's understanding of smart grid? If not, please specify why not. **Yes, we do.**
3. Do you agree that objectives of reducing energy consumption impose the need for decoupling regulated companies' profit from the volume of energy supplied? How can this be implemented? **yes, we agree but do not have ideas about how to implement this aspect.**

### Section 2 – Drivers for smart grids

4. Do you agree with the drivers that have been identified in the consultation document? If not, please offer your comments on the drivers including additional ones. **Yes, we do**

### Section 3 – Smart grid opportunities and regulatory challenges

5. Do you agree that a user-centric approach should be adopted when considering the deployment of smart grids? **Yes, we do.**
6. How should energy suppliers and energy service companies act in the process of deploying smart grids solution?
7. Do you think that the current and future needs of network users (Note: In our case, small customers/consumers) have been properly identified in Section 3.3? **Yes, they are as they are quite general.**
8. Do you think that the main future network challenges and possible solutions have been identified in Section 3.4 and 3.5 respectively? If not, please provide details of additional challenges/solutions.

Consumers may not want to complicate their life by comparing and managing e complicated electricity offers and may not accept price signals because of a lack of confidence about the remote control of their appliances and possible effects on their appliance use

9. Do you expect smarter grid solutions to be essential and/or lower cost than conventional solutions in the next few years? Do you have any evidence that they already are? If so, please provide details. **To get some profits from smart grids, as household consumers you first need investments in new and more intelligent (and costly) appliances. People with low consumption levels may hardly be more flexible than already they do with current "price signals" (low pick - high pick tariffs) with their use of energy (i.e. marginal savings in costs not be sufficient to justify high investment in new appliances).**

10. Would you add to or change the regulatory challenges set out in Section 3.6? **No, we don't.**

#### **Section 4 – Priorities for Regulation**

11. Do you agree that regulators should focus on outputs (i.e. the benefits of smart grids) rather than inputs (i.e. the technical details)? **Yes, we do in principle. Nevertheless we would not exclude a priori that regulators should consider also the "technical details".**

12. Which effects and benefits of smartness could be added to the list (1) - (7) presented in Section 4.1, Table 1 Which effects in this list are more significant to achieving EU targets? How can medium and long-term benefits (e.g. generation diversification and sustainability) be taken into account and measured in a future regulation?

13. Which output measures should be in place to incentivise the performance of network companies? Which performance indicators can easily be assessed and cleansed of grid external effects? Which are suitable for European-level benchmarking and which others could suffer significant differences due to peculiar features of national/regional networks?

14. Do you think that network companies need to be incentivised to pursue innovative solutions? How and what output measures could be set to ensure that the network companies pursue innovative solutions/technologies? **Evaluation index of the management capacity of energy flow and access of new generators (medium, small generators)**

15. Do you consider that existing standards or lack of standards represent a barrier to the deployment of smart grids? **Not enough competence to answer to.**

16. Do you think that other barriers to deployment than those mentioned in this paper can be already identified? **Idem**
17. Do you believe new smart grid technologies could create cross subsidies between DSO and TSO network activities and other non-network activities?
18. What do you consider to be the regulatory priorities for electricity networks in relation to meeting the 2020 targets? **Medium voltage grid access.**

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