

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

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EDF definitely shares the opinion that the implementation of the 3<sup>rd</sup> Energy Package provisions is a priority. EDF therefore welcomes all the work on the issue of smart metering (and also more generally on smart grids) started both by the European Commission (through the Smart Grid Task Force set up last year) and the energy regulators (ERGEG/CEER), as smart grids are seen as a means to contribute to both improve competition and achieve the climate objectives the EU has set for 2020.

Smart meters will indeed help better grid management, improve demand forecast, allow more creative offers, and empower the customer giving him the possibility to better regulate his own electricity and gas consumption.

As the functionalities of smart meters are dealt with in this ERGEG consultation on draft GGP on regulatory aspects of smart metering for electricity and gas, EDF would first like to underline the need for coherence with the outcome of the works already started in the Smart Grid Task Force (Expert Group n° 1) on the minimum functionalities for smart meters to be presented in next October.

Regarding the proposed minimum and optional functionalities of Smart Meters, EDF wishes to underline a few major points:

- First, as underlined by ERGEG, smart meter roll out plans are designed to reach a quasi universal development on a given geographic area. Therefore, EDF considers that mandatory functionalities of such meters shall be limited to what is necessary to a vast majority of customers, in order to avoid excessive costs that could result from functionalities dedicated to a subset of customers.
- Additionally, EDF shares ERGEG view that, at this stage and at European level, defining mandatory functionalities for smart meters shall focus on technical aspects and not structure the role of the different counterparts within Member States.
- The electricity and gas markets are characterized by different technologies, different security requirements and different legal metrology problems. A symmetric treatment of both issues would not be relevant in all cases.

Regarding the cost benefit analysis to be carried out, EDF would like to point out the need to take into account, in the frame of an extensive value chain, all costs actually necessary to a full achievement of smart meters expected benefits.

Though it is not part of the issues submitted to consultation, EDF would like to underline, as already mentioned in the past consultation on smart grids, that the financial dimension of the issue is of extreme relevance. On the one hand, the cost-efficiency analysis for a roll-out of smart meters should indeed be extensive and should prove positive. On the other hand, the allocation of the financial burden between the various stakeholders will have to be clearly defined in order to produce the appropriate incentives.

Here are EDF more specific comments on the recommendations set out in the draft GGP:

## **I – Customer services**

### [Recommendation 1 and 17: information on actual consumption, on a monthly basis](#)

EDF agrees that the customer should be properly informed of actual electricity consumption and costs. Nevertheless, the cost of providing this information on a monthly basis should remain proportionate to the value created for the customer. Consequently, EDF believes that this information should be made available to the customer through the appropriate media, and should be undertaken with reasonable flexibility, at a Member State level. It could, for example, be available on suppliers' websites, through a secured customer account.

EDF therefore fully agrees that this information should not necessarily be presented through monthly billing.

### [Recommendation 4 and 20: offers reflecting actual consumption patterns](#)

Concerning metering intervals, in electricity, EDF believes that most customers would be fully satisfied with a metering interval of half an hour. Nevertheless, EDF recommends that for some customers an optional shorter metering interval (for example 10 minutes) would be useful to provide measurable load curtailment and demand management services, at acceptable cost.

On the matter of Time of Use registers in electricity, the appropriate number of registers depends on the frequency of the meter reading used for billing. If the meter reading is made quarterly or more frequently, then the seasonality of the consumption will be captured through this meter reading, and the number of registers can be around 15, including both network operators and supplier needs (enough to capture weekly and daily components of the consumption pattern). If the meter reading frequency is lower, then more registers are needed to capture the seasonality of the consumption patterns.

Concerning gas, neither metering intervals nor ToU registers need to reach the same level of precision.

### [Recommendation 5 and 22: power capacity reduction/increase](#)

As for recommendation 5 concerning power capacity remote management, EDF does agree with the interest of such a functionality as it should be possible to remotely adjust capacity to customer needs, in a more dynamic and cost effective way. Nevertheless, innovative pricing formulas or information and innovative services are, in EDF's view, more accurate tools than power capacity reduction when addressing consumption management issues.

Regarding recommendation 22 on gas, EDF does not consider the reduction of hourly flow as an appropriate tool to avoid bad payments.

### Recommendation 7: only one meter for those that both generate and consume electricity

For still many years, “prosumers” will not be a majority. Therefore, the possibility to register injected as well as consumed energy with only one metering device should be balanced with the cost of this function, especially in case of a universal roll out. A second meter dedicated to the measurement of injected power can be installed where customers invest in decentralized production, at a cost which is very proportionate to this kind of investments.

For these reasons, EDF believes that this functionality should not be considered as a minimum service.

### Recommendation 9: non-notified interruption

EDF believes that the possibility to inform customers of an ongoing interruption should, at this stage, be left open to the different market actors.

### Recommendation 10 and 24: alert in case of high energy consumption

For electricity, a high consumption is not a matter of security, whereas it can be the case for gas. Therefore, such functionality should indeed be left optional as far as electricity smart meters are concerned. Besides, with a metering interval of less than an hour, suppliers will be able to provide such services to interested customers.

### Recommendations 12 (voltage quality) and 13 (continuity of supply)

EDF agrees that these optional services can be useful to system operators. However, customers’ interest, as direct recipients, is not obvious at this stage and further analysis might be needed.

### Recommendation 23: Activation and de-activation of supply

As far as remote activation of gas is concerned, it is of utmost importance that further investigations on security and cost issues are carried out before any further decision is taken on this subject.

## **II – Costs and Benefits**

### Recommendation 14 and 26: when making a cost benefit analysis, an extensive value chain should be used

EDF agrees that when making a Cost Benefice Analysis, an extensive value chain should be used. Nevertheless, EDF points out that in order to produce some of the benefits quoted, especially those based on an interaction between the meter and the home, additional devices will be necessary and therefore associated additional costs have to be taken into account.

### III – Roll-out of smart meters

#### Recommendation 15 and 27: all customers should benefit from smart metering

As stated by ERGEG, roll out makes sense only if it concerns the largest number of customers on a given area, in a cost efficient way. Indeed, regulation should not make mandatory to reach 100 % of the customers as reaching the “last decile” or “most remote” customers could add significant costs to the roll out, without reasonable economic justification.

#### Recommendation 29 : Customer control of metering data

Although EDF fully agrees that data security and integrity is an important matter, we believe that, in the same time, these requirements should be set at a reasonable level, so that the cost of managing these data does not discourage stakeholders to provide added value services to customers. In addition, a balance between sensitive commercial data issues and privacy principles must be found on this matter.

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