

**CEER workshop on CEER Advice on the take-off of a demand response  
electricity market with smart meters**

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# **EURELECTRIC DSOs views on a demand response market with smart meters**

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EURELECTRIC's WG Smart Grids/Network of the Future**

# 1. Demand response will be part of tomorrow's electricity system (1/2)

- **Consumers want to become active managers of their energy consumption and production**
- **intermittent-RES call for a more resilient electricity system/grid and will require more flexibility on the demand side**
- **DSOs want smarter grids to control better their network and will thereby improve the infrastructure underpinning retail markets**
- **Smart Metering and demand response thus lead us into the future**

# **1. Demand response will be part of tomorrow's electricity system (2/2)**

**In November 2010, EURELECTRIC has launched a Task Force on Smart Grids, Flexible Loads and Storage:**

- 1. to analyse the interactions between Smart Grids, demand response and storage**
- 2. to outline possible market models which would clarify the roles and responsibilities of suppliers and DSOs in this new world**

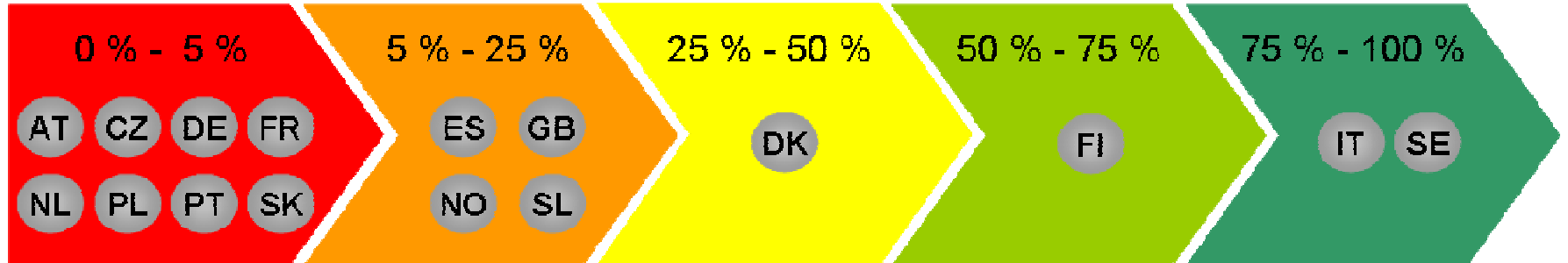
**Results are expected by end Q2/2011. In the meantime, we would be glad to share interim results, exchange views with ERGEG on this issue and contribute to the discussion**

## **2. A quick roll-out of Smart Meters is the first step and a prerequisite towards demand response (1/3)**

- **Our report «Regulation for Smart Grids» shows that:**
  - **The roll-out mandate (who does what) is not clear everywhere in Europe**
  - **Cost-recovery aspects of the Smart Meter roll-out have to be improved**
- **Moreover, Cost Benefits Analyses have not been performed everywhere in Europe (yet). To speed up the roll-out process, we would welcome swift performances of CBAs.**

## 2. A quick roll-out of Smart Meters is the first step and a prerequisite towards demand response (2/3)

### Status quo of smart meter roll-out (smart meter penetration)



➔ In most of the surveyed European countries the smart meter penetration is still relatively low.

## 2. A quick roll-out of Smart Meters is the first step and a prerequisite towards demand response (3/3)

		Possibility of cost recovery		
		hardly no	partially possible	possible
Clear roll-out mandate	yes	FR	ES	FI, IT, SE, SL
	partially		NO, PL	
	no	DE, DK, PT, SK	AT, CZ, NL	

### **3. DSOs should act as enablers of demand response (1/2)**

- **DSOs should provide an intelligent infrastructure/a playing field (« Smart Grids ») to the benefit of suppliers and ultimately consumers**
- **Suppliers will therefore remain the single point of contact to the customer and will design demand response as a product**
- **Because of their central role in acquiring & handling data from smart metering and because of their task to operate the distribution networks, DSOs should be properly informed of new arrangements (such as demand response programmes or products) between customers and suppliers.**

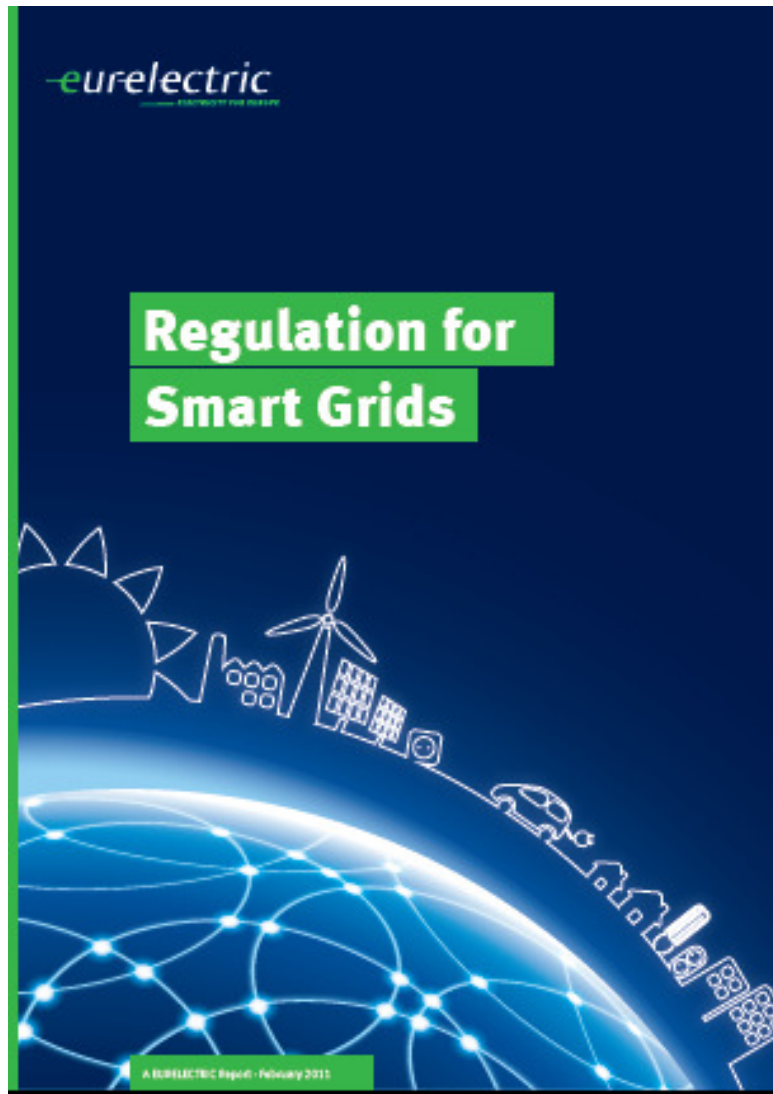
### **3. DSOs should act as enablers of demand response (2/2)**

- **Where metering responsible, DSOs should provide market actors with accurate data in a swift and non-discriminatory way (as in the case of switching)**
- **To facilitate demand response products, DSOs might adopt variable network tariffs in the future. However, this needs further discussion!**



## 4. Open questions for the future

- Will there be room for direct load control actions performed by DSOs for technical purposes (alongside demand response products developed by suppliers)? If yes, how could this be set up?
- Similarly, will demand response rely only on price signals or also on technical signals (residually)?
- How do we ensure that demand response becomes a stabilising factor in the future MV/LV grid and does not bring additional unpredictability?
- How do we bring customers on board? How can we convince them that demand response brings added-value by improving the overall electricity system efficiency?



**The EURELECTRIC Report  
Regulation for Smart Grids  
is now available on our  
website under  
[www.eurelectric.org](http://www.eurelectric.org)**

**Thank you for your  
attention !**