Paris, 11th August 2010.

Dear Sir, Dear Madam,

Please find below the comments of the CLCV relating to the public consultation launched by the European Regulators' Group for Electricity and (ERGEG) on the regulatory aspects of smart metering.

We insist particularly on the necessity to correctly evaluate the costs of the implementation of smart meters to avoid that the potentially supplementary costs be paid by the consumers.

We remain at your disposal for any further information.

Best regards
Thierry SANIEZ – General Director

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Membre du Bureau Européen des Unions de Consommateurs et de Consumers International

French specificities as regards energy

Consumers' association, CLCV (Consumption, Housing and Quality of Life) wants to insist on the French cultural specificities as regards energy and more particularly electricity.

Energy during 60 years was provided in France only by one and single public enterprise: EDF-GDF. For the French consumer, energy was a public service, a service guarantees by the State. This very important fact explains today the mistrust of the consumers concerning the opening of the energy market.

Another specificity can be added to this context. 75% of the electricity consumed in France comes from the nuclear plants. The reduced production costs which result from this can explain the remaining of regulated prices lower than the European market price.

Concerning the roll out of smart meters

If smart meters must make it possible for consumers to play an active role on the market, CLCV considers that they will also and especially allow the operators to propose new marketing offers and finer tariffs.

To be effective, the smart meters will have to be necessarily accompanied with:

- a simple and readable tariff scale so that the consumer can adapt his consumption, which is not the case today in France,
- the possibility for the consumer of analyzing and easily comparing its consumption in time,
- public awareness campaigns on good practices which will enable him to increase its capacity to modulate its consumption according to the tariff scales.

The CLCV, in contact with the consumers, is particularly active on this topic. The European project Topten http://www.guidetopten.fr which we support with WWF France is a good proof for it. It is a free and accessible comparator which provides information on the energy consumption of consumer goods and is consequently a purchasing guide. It is essential to continue to develop such services for consumers.

This purchasing comparator, developed on the Swiss model www.topten.ch, is supported by the ADEME, the Agency of the Environment and the Control of Energy, and is part of the European network Euro-Topten http://www.topten.info/, sponsored itself by the European Commission. 16 European countries undertake same work in parallel. The Topten teams of the whole world can speak today with one voice and incite the manufacturers to increasingly produce more respectful of the environment goods. They give advices to consumers, to people in charge of the purchases in certain industries and bring information making it possible to select products and to evaluate their energy efficiency. The criteria are the following: low energy consumption, weak harmful effects for the environment, easy use, very good quality, reasonable price.

- guarantees concerning the personal data protection recorded by the smart meter, in particular when the records occur frequently. The important number of obtained information will give a very precise vision of the users' lifestyle, and of their energy consumption. Their access and their analysis by third parties must be regulated. The customer must be the only one who decides who should have access to what data and when. They should not be accessible for entities which the consumer would not have authorized. Moreover, measures must be undertaken to ensure data security in order to be protected from fraud. This will be essential to raise confidence in smart meters.
- guarantees of technical reliability for the deployed devices.

Transparency and comparability

If the aim is to incite consumer to modulate his energy consumption, it will be necessary to inform him through a clear price policy. He will have to easily be able to compare the various tariff offers and to have the capacity to make investments to optimize his energy consumption.

European coherence

CLCV can only wish on this subject an harmonization of the devices on the European level and an encouragement of experience exchanges. We regret the lack of a common energy policy in Europe.

Concerning the various recommendations

Recommendation 1: it is important that the consumer can be monthly informed (invoice) about his consumption. He must also have access to mid term data thanks to various supports described in recommendation 8 (Internet, SMS, call centers…). It is essential that this service is free.

Recommendation 4: we think that an interval of 30 minutes would be the most appropriate to give fine information to the consumer. All the more as the consumption peaks are concentrated on short periods.

Recommendation 6: The activation and the remote reading of the new devices will allow appreciable productivity gains for the operators who will not have to send people in the houses for repairing. They will beneficiate the more from the new smart meters.

The CLCV proposes to add the following services in the list of the minimum services provided by smart meters: to make it possible for the consumer to have access to his historical consumption, to a comparative list of offers of various operators, to provide him guarantees protecting him from any technical dysfunction.

Recommendation 13: concerning the further services which should be envisaged in order to allow consumers and those that both generate and consume electricity to be aware and active actors in smart grids, CLCV proposes that they have access to information on the losses during the electricity transmission. This knowledge will

enable them to modulate their consumption and to be fighting actors against the difficulties of the network.

CLCV proposes to add the following services in the list of the optional services provided by smart meters: alerts provided by the transmission system operator (RTE in France) concerning energy cuts risks in case of too important requests. These alerts could encourage each one in emergency to lower its consumption to avoid any failure (citizen behavior).

The implementation of smart meters to 80% of the users by 2020 should not conduct to take a quantitative measure to the detriment of a quality service for which consumers are waiting.

We consider that it will imperatively be necessary to take into account the poor consumers who are today more numerous. In spite of the implementation of social tariffs, they are sometimes unable to pay their energy bills or are excluded from energy services. These populations are often those which do not have well isolated homes and which consequently cumulate handicaps. Those consumers need more help than information to control their consumption. Moreover, they will not be able to support the costs resulting from the implementation of smart meters. The poorest people will have to be financially helped.

Other remarks

- ⇨ CLCV considers that smart meters will firstly be in favour of the operators. They are the ones that have to support the economic costs of smart meters.
- ⇨ The consumer must be clearly informed on the cost that he will have to pay resulting from the implementation and the maintenance of these devices.
- ⇨ The financial evaluation of the smart meters implementation must be transparent and the guarantees concerning a good performance must be real. The implementation by 2020 should not push Europe to use new devices without having evaluate the real costs. It is consequently necessary to correctly calculate the costs. If it is not the case, it is to be feared that overcosts appears and that the difference has to be paid by consumers.
- ⇨ Smart meters are only a tool. The organisation of campaigns to raise the awareness of the consumer will be essential to allow him to change his energy consumption and to invest in powerful devices.

For gas

CLCV's comments are the same as those which relate to electricity.