

smart_metering@ergeg.org

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Svensk Energi (Swedish Energy Association) response to the ERGEG Public Consultation Paper on Draft Guidelines of Good Practice on Regulatory Aspects of Smart Metering for Electricity and Gas.

Svensk Energi, the electricity industry association in Sweden, welcomes the opportunity to comment on the "Draft Guidelines of Good Practice on Regulatory Aspects of Smart Metering for Electricity and Gas".

General comments

Svensk Energi warmly welcomes the initiative taken by ERGEG in drawing up its draft guidelines of good practice on Smart Metering.

Svensk Energi sees Smart Metering, as described in the report, as one of the most important components in the smart grid concept which will allow a more efficient distribution grid management for the DSO's, and profiting all customers in the grid. It will also make customers more aware of their accurate energy consumption, closer to real time than today.

Svensk Energi actual believes that Smart Metering initiatives alone are neither necessary nor sufficient for providing customers with the feedback that they need to achieve energy saving, nevertheless they do offer important opportunities. To realise potential feedback-induced savings, Smart Metering must be used in conjunction with for example a HAN (Home Area Network) together with in-home displays and well-designed programs that successfully will inform, engage, empower and motivate customers. These kinds of systems also need at least minimum hourly meter reading. However, the transition period from today's systems to the functions described in the report, must be reasonable to make the costs for the customer acceptable, make the standards approved and give the market time to develop smart products to support the customer. Hourly metering reading could however be offered as an optional chargeable service to the customers during this period

Svensk Energi fully agrees that setting the minimum requirements is a correct starting point for harmonisation of Smart Metering in the European market, and Svensk Energi strongly supports the approach chosen by ERGEG in clearly separating essential functionalities from optional functionalities.

In Sweden Smart Metering for electricity is already introduced as a consequence of a new national legislation for billing based on monthly meter

readings from 1st of July 2009. The Swedish utilities designed, purchased and implemented their new meters, communication solutions and systems mainly in the years 2005 to 2009. At that time there were no common rules, regulations or common guidelines for how to do this, and therefore there is no common technical set-up for meter readings or open interfaces for how to communicate with the meter in Sweden. We also believe that the Swedish DSO's already meet most of the essential functionalities in the Guidelines. There is however no open or harmonised interface which is essential for a successful and cost effective implementation in a smart grid concept.

It is although important to bear in mind that it is always the customers that have to pay for the investments, and investments must therefore be implemented in a cost effective way. Svensk Energi would therefore like to emphasize the importance of that Guidelines do not cause major stranded investments for countries that already have installed Automatic Meter Reading systems, which are not be applicable to all minimum requirements by ERGEG. In that aspect National Energy regulators will have an important role to play in ensuring a fair balance between minimum requirements and the need to minimise stranded assets.

Svensk Energi also recommends that ERGEG strongly supports the development of open standards for Smart Metering. Standardisation will be crucial to increase cost-efficiency and improve competitiveness in the market. Otherwise, the utilities will be forced to choose the initial software and hardware supplier when it is time for updating and reinforcing the Smart Metering systems. Svensk Energi would especially like to point out the need of standards for the communication interface.

For customers that both generate and consume electricity, Svensk Energi emphasises that the energy should be measured separately in both directions to enable use of different prices for input and output. Although one meter is sufficient since the modern meters can register both injected and consumed energy. Svensk Energi also believes that customers with small production may have an option to "net" the different directions during each month. This means that the metering is "netted" monthly but only on the invoice.

Yours sincerely,



Kjell Jansson
CEO
Swedenergy



Peter Takács
Technical Advisor
Swedenergy