

FACOGAZ

General Secretariat
Marienburger Strasse 15
D-50968 Köln
e-mail: burger@figawa.de

European Regulators Group for Electricity and Gas
Council of European Energy Regulators ASBL
28 rue le Titien
B-1000 Bruxelles
smart metering@ergeg.org

Cologne, August 29th 2010
Dr. B/BB

Public Consultation on draft guidelines of Good Practice (GGP) on Regulatory Aspects of Smart Metering for Electricity and Gas (E10-RMF-23-03)

Dear Sirs,

we thank you very much for the opportunity to participate in the consultation process on the above mentioned document on behalf of the European manufacturers of gas meters (FACOGAZ).

Facogaz has been founded in 1968 and represents today nearly all European manufacturers thus covering production of approx. 95% gas meters in Europe.

We would like to inform you about our positions concerning some important aspects of the draft guidelines of good practice (E10-RMF-23-03).

General Remarks on the chapters 5, 6 and 7

FACOGAZ is convinced that the EC mandate for Smart Metering provides an opportunity to develop innovative products based on common European requirements of the ESCO directive (2006/32/EC) and to facilitate the smooth introduction of more advanced utility metering systems offering additional functionalities.

According to article.13 the Member States shall ensure that final customers for electricity, natural gas, district heating and/or cooling and domestic hot water are provided with competitively priced individual meters that accurately reflect the final customer's actual energy consumption and that provide information on actual time of use.

We therefore strongly recommend not to restrict the evaluation of the consequences of smart metering to the regulated areas but also to take into account the great advantages and chances which are consequently to be expected as a consequence of the general roll out. (see e.g. 6.1p) We advise against the limitation of the roll out to the most profitable segment of consumers as this will slow down the general introduction of the smart metering technology on the market.

Smart meters continuously measure and record the electricity, water or gas consumption of individual households, allow for remote access to the consumption data (e.g. using Power Line, GSM, or fixed data lines) and provide a basis for load management. Moreover, the devices offer telemetric connect-disconnect capabilities and will serve as a gateway for home energy management systems.

When a smart meter informs the user on excessive energy consumption, the user is unable to find out the reason for this and can consequently not remedy the situation. Displaying consumption data does not automatically save energy: intelligence is needed to switch off loads, whereby the biggest potential can be gained if this intelligence is also able to influence consumption for lighting and heating, water, gas, ventilation and air conditioning systems.

The management and integration of all elements in the home or building (loads, information to the user and energy production) is a complex task that cannot be handled by the meter or grid provider alone. There are already solutions available for interaction between smart meters and smart home or building infrastructure in order to save energy.

Chapter 5: Customer-Services gas:

- **End User**

As mentioned above especially smart meters and energyaware devices can positively influence energy consumption and offer considerable business opportunities.

Information technology will greatly contribute to a sustainable development as it allows for optimizing processes and helps to change consumer behavior. Especially smart meters and energy-aware devices can positively influence energy consumption.

Benefits include:

Increased energy awareness

Smart meters can provide users with direct feedback on costs and environmental effects of their consumption. Studies show that this leads to a reduction in electricity consumption of 5% to 15%. On the contrary electrical consumption is very small in comparison with heating and hot water use (approx. 84% of energy in a home). Therefore exists in this area significant saving potential (e.g. preventive maintenance)

New products.

With near real-time data on energy consumption, devices such as mobile phones or set-top boxes can serve as ambient interfaces. Moreover, white goods and consumer electronics can develop into energy-aware devices and as such become part of an energy management system.

Novel services.

Smart meters can serve as a gateway for innovative green services.

Process optimization.

Faster meter reading and billing processes, easier fault clearance and improved consumption forecasts allow utilities or third-party service providers to save costs and improve the customer relationship.

Enhanced incentive schemes.

High resolution data on energy consumption enables novel energy pricing and bonus schemes. If designed properly, these incentive systems can unfold a positive effect on peak load and absolute consumption and help to integrate the user in the overall strategy.

- **MID**

FACOGAZ fully supports the view of ERGEG for the missing requirements within the MID for functions needed for Smart Metering. Only the "Measurement of the pressure compensation" does not make sense for us. The influence of pressure variations on a low pressure network for domestic customers is negligible.

In the absence of requirements in a directive no mandated standards are possible and different national legislations will occur. This will lead to an essential barrier of trade in Europe.

For e. g. "Interval Metering" or "Time of Use Consumption Registers" the time (clock) is essential. The data which are used as a basis for the price to pay (e. g. time, registers) must be readable on the display for the consumer to compare the value in the bill with the displayed value. This function has to be under metrological control to protect the customer.

- **Recommendation 20a**

We propose an interval value of 1 hour.

- **Recommendation 23 Activation and Deactivation of supply**

It has to be considered that the existing and economically reasonable valves are battery operated and are not regarded as an isolated valve. They are intended to be used for temporary remote disconnection of a gas supply for e. g. commercial reasons, by backoffice signal, tamper or fault reasons. For the remote opening special safety features have to be applied.

Chapter 6 Cost benefit analysis gas

The cost benefit analysis gas should also take into account the different scenarios of applications. As mentioned above smart-meters are also a start to achieve CO₂-reduction, to increase energy efficiency and solve issues with future energy-mix.

Currently there are many research activities in Europe on different dynamic approaches for metering and billing systems ongoing. Smart metering will be the basis for substantial energy savings at the customer's site due to increased energy efficiency facilitating also rapid changes of the supplier thus supporting the intention of liberalisation.

One should be aware that most of the above mentioned projects are driven by the energy suppliers. The main objective is to specify a comprehensive set of open and public standards for AML, supporting electricity, gas, water and heat metering. Nevertheless a so called open metering specification is currently developed in Germany by manufacturers of gas, water, heat and electricity meters to meet the attached specification. This is unique in Europe.

Recently we have proposed a new work item in CEN TC 294: Update and Enhancements for Smart Metering. As the EU directive regarding energy efficiency requires the use of smart metering with communication capabilities to fulfil the requirement for user feedback on its consumption for gas, water and heat meters this communication should be based on the existing standards for meter communication.

We offer ERGEG our assistance in the future work on regulatory aspects of smart metering for gas and would be very pleased if our experience could also be used in this discussion as well as in the revision of the national energy efficiency action plans which the member states shall submit to the Commission not later than 30 June 2011 according to art.14 of the ESCO directive. Here the ERGEG guideline of good practice on regulatory aspects of smart

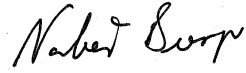
metering for electricity and gas could be in our opinion a valuable tool to further improve the national approach.

We look forward to your reply and remain

with kind regards,

facogaz

signed
H. Bertke
Chairman technical committee

A handwritten signature in black ink, appearing to read "Nabet Burger". The signature is written in a cursive style with a large initial 'N' and 'B'.

Dr. N. Burger
General secretary