

Smart Meters

European Commission proposal		
Rec. 31, 40, 42, 43 – Art. 2(18-19), 19 - 21 – Annex III Minimum functionalities for MS rolling-out smart meters Article 2.20 & 20(a)	Electricity Directive	
Information on actual time of use shall be made easily available and easy to understand to final customers at no additional cost and at “near real time” (i.e. “usually down to seconds”)	Electricity Directive	
Article 20(b) Smart meters and data communication should comply with relevant EU security to ensure the highest level of cybersecurity protection.	Electricity Directive	
Article 20(g) Smart meters shall enable customers to be metered and settled at the same time as the resolution of the imbalance period in the national market.	Electricity Directive	
Article 21 In case of selective rolls out customers should be informed about benefits and costs. The installation should be completed no later than 3 months after the customer's request.	Electricity Directive	

Smart meters will allow consumer empowerment, but roll out should be cost-efficient

Where the national Cost Benefit Analysis is positive, smart meters installation will further improve efficiency, quality of service, dynamic pricing offers and other services. The proposal implies that MS having rolled-out smart meters that do not comply with the outlined functionalities by the time the legislation comes into force will need to upgrade them. We believe however that as long as the meters deployed corresponded to the rules in application at the time of their deployment, no stranded costs should arise.

Thus, if the cost for a systematic, large scale, roll-out of smart meters that allows close to real time reading resolution and transmission is considered prohibitive, the market should be allowed to provide alternative solutions beyond-the-meter to empower the customers and foster the development of demand side response. Service providers have developed hardware for this purpose and have already offered it to customers as an additional service in most European markets. If grid companies have to offer real time information on electricity use to customers for free, there will be no market for these services.

Apply the Imbalance Settlement Period functionality to smart meters only if cost efficient

The costs incurred in countries that have already rolled out smart meters and adjacent settlement systems need to be considered. In particular, the provision enabling ‘customers to be metered and settled at the same time resolution as the imbalance period in the national market’ should take into account the functionalities already implemented in smart metering systems to avoid inefficient additional costs for smart metering and related communication system upgrade. Therefore, MS should decide on a voluntary basis to apply this functionality, when rolling out smart meters for retail consumers. The current roll-outs will already substantially improve the link between wholesale and retail markets.

Cyber security is a major issue, and costs need to be taken into account

It will prove to be very costly to keep the meter systems at the highest up-to-date level of cyber security protection, and metering operators should recover these costs. Therefore, the level of cyber security of the metering system should be set at a level that takes into account both the consumers’ interest for a constantly updated level of protection and the costs of the updates.

Conditions for consumers' entitlement to smart meters

EURELECTRIC supports that in case of a selective roll-out based on consumer entitlement (art. 21), the functions and interoperability of smart meters installed on an individual basis shall reflect the technical and economic feasibility at the moment of installation. It has to be clarified that in a selective roll-out, the same functionalities as in massive roll outs cannot all be available to customers at reasonable costs. Furthermore, a 3 months' timeframe to get smart meters installed after the customer's request is rather short.

Key proposed amendments

Article 2

20. ~~'near real time' means, in the context of smart metering, the time, usually down to seconds, that elapses between data recording and their automated processing and transmission for use or information purposes;~~

Electricity
Directive

Justification

The specification of the resolution "down to second" is considered excessive.

Article 20.2

(a) the metering systems accurately measure actual electricity consumption and provide to final customers information on actual time of use. That information shall be made easily available ~~and visualised~~ to final customers ~~at no additional cost and at near real time~~ in order to support automated energy efficiency programmes, demand response and other services;

(b) the security of the smart metering systems and data communication is ensured in compliance with relevant European Union security legislation having due regard of the best available techniques for ensuring the highest level of cybersecurity protection **taking into consideration the customers interest for a constant level of protection and the costs of the upgrades involved;**

Electricity
Directive

(...)

(g) smart metering systems ~~shall~~ **may** enable final customers to be metered and settled at the same time resolution as the imbalance period in the national market.

Justification

a) *Deletion of specification "near real time" as shortening the time period to get data (raw and validated) cannot be provided without any additional costs and will inevitably make the cost benefit analysis negative. Furthermore, since some member states already began the smart-meter roll-out, technical requirements should not cause a readjustment of already developed technology.*

Also mandating this functionality as mandatory will negatively impact the development of energy services (at no additional costs).

b) *It will be almost technically impossible and expensive to maintain the security of the system at the highest level of cyber security protection throughout the entire system life time: this would mean in practice a continuous update of the software.*

g) *Addition proposed to avoid inefficient cost and related communication upgrades which are inefficient for certain type of customers*

Article 21

(b) ensure that it is installed within a reasonable time ~~and no later than three months~~ inside the roll-out planning after the customer's request;

Electricity
Directive

Justification

Deletion of a strict timeline "no later than three months" as not feasible in cases where smart meter deployment is selective and on request.

