



# GEODE KEY MESSAGES

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# **CEER presentation of Retail market design, with a focus on supplier switching and billing: preliminary results from public consultation**

## **Retail market**

- It should be always kept in mind that in Europe different customer interface models are in place
- Supplier centric-model could be one solution, but also other models should be possible
- A fully harmonized model for the whole Europe is very likely not to be needed if retail markets are well-functioning despite different models
- Before harmonization clear assessment of cost-benefits is needed

## **Switching**

- Supplier should be first point of contact for questions regarding switching

## **Billing**

- Combined billing could be standard but not mandatory. If combined billing should be provided by the supplier, it must be guaranteed that there are not financial risks for the DSO

### CEER presentation of Final Guidelines on regulatory aspects of SM focusing on customer services

- **GEODE** agrees with ERGEG that a minimum level of functionalities should be defined at national and EU level
  - To ensure all customers are given the same basic option of services.
- Standardisation at European level is needed as well
- **GEODE** considers that the list of minimum functionalities listed by CEER is larger than needed

## SMART METERS



- Several of the minimum functionalities recommended lead to additional efforts and costs which need to be acknowledged in regulatory terms
- **GEODE** asks for CBA to be assessed
- Functionalities should not be mandatory in places where no benefits can arise from them or there is not a substantial benefit from their application

### **Data Protection**

- The legal framework conditions should be created to enable that the use of the basic functions of a smart meter become legally legitimate and consequently no consent of every single connection user is required
- Smart Metering management have to comply with data protection legislation. A review of European legislation on data protection issues arising from Smart Meters roll-out is recommended.

### **CEER presentation of Advice paper on take-off of demand response schemes in the electricity market**

- Participation of customers is a prerequisite
- The role of DSOs should be more emphasized in CEER paper
- Active participation of DSOs in DR is necessary. No DR without DSOs
- DR, specially DSM, is an important tool for DSOs to handle future challenges of grid management and to avoid the risk of increasing grid costs

- DSOs should play a role as facilitator to ensure reliability and stability of the system while safeguarding commercial interest of other market actors and customers
- DSOs need to influence the demand being placed on the grid because DSOs are responsible for quality and security of supply
- DSOs need to understand the load of local networks conditions before reducing or increasing demand



## DEMAND RESPONSE



- Smart Regulation is required to allow DSOs to handle future challenges (go towards SG) and to provide DSOs clarity about cost recovery
- An evolution of the RPI-X-models to set grid tariffs following the principles sustainability, investment and innovation friendliness is necessary
- Capacity oriented grid tariffs using functionalities of smart meters, including time of use aspects, are an important step towards a fair cost and future oriented grid system

## EC Energy Efficiency Directive

### Article 8: Metering and informative billing

- Individual meters should only be mandatory for electricity and gas end consumers
  - As to the heating, cooling and warm water consumers, it is neither technically feasible nor economically viable to provide them with detailed information on their energy consumption
- Regarding electricity meters, the obligation to provide accurate billing implies full smart meters roll-out by 1 January 2015 and this goes far beyond the 3rd package provisions
- The roll-out of Smart Meters should remain based on the rules and preconditions set by the third energy package.

### **Article 12: Energy transmission and distribution tariffs**

- Article 12 has a central significance within the Directive
- Light should be shed to the ambiguities that are contained in the text
  - What is understood by “incentives” (paragraph 1)
  - What is understood by “energy efficiency potentials” (paragraph 2 a)
- It is crucial that grid operators are encouraged to invest in Smart Grids and in the development and integration of renewable energies and CHP and that energy companies can recover their costs
- A shift in tariff structure to allow and incentivise DSOs investments is needed