



Answer to the European Commission's consultation

Consultation on the Review of Directive 2012/27/EU on Energy Efficiency

January 2016

This consultation has been launched to collect views and suggestions from different stakeholders and citizens in view of the review of Directive 2012/27/EU on energy efficiency (Energy Efficiency Directive or EED), foreseen for the second half of 2016.

4. Articles 9-11: Metering, billing information and cost of access to metering and billing information

Articles 9-11 deal with consumer empowerment, by asking Member States to put in place requirements about metering, access to billing information and cost of access to metering and billing information, allowing consumers to make decisions about their energy consumption. These issues are also currently being looked at within the Electricity Market Design/Delivering a New Deal for Energy Consumers initiative. It may be relevant to consider certain aspects of these Articles in the EED review. The same is true for the subject of "demand response" (as set out in paragraph 8 of Article 15, but on this topic explicit questions were already included in the Market Design consultative communication published in July 2015).

4.1. Overall adequacy: Do you think the EED provisions on metering and billing (Articles 9-11*) are sufficient to guarantee all consumers easily accessible, sufficiently frequent, detailed and understandable information on their own consumption of energy (electricity, gas, heating, cooling, hot water)?

- No

Explanation

- In completion of art. 10, where smart meters are not in place, retailers should implement a mechanism to promote easy and frequent self-readings by customers.
- Member States shall ensure consumers' awareness. The requirements specified in Annex VII par. 1.2* should be

always fulfilled

- All consumers should have the RIGHT to choose a real-time pricing option. This can be translated by the right to ask for a Smart Meter when no roll-out is planned.
- Given that 2012/148/EU is not binding, articles 9.2.d and 10.3.a. of the EED lack a mandatory provisions on the quality of, timely access to, and way(s) of accessing data for service providers.
- Providing actionable information on energy consumption to the consumer, depends on a much broader framework than the EED provisions and should encompass:
 - the implementation of scarcity prices,
 - the clarification of roles and responsibilities;
 - the removal of barriers to aggregation services;
 - a clear framework for data management.

4.2. Do you think it appropriate that the requirement to provide individual metering and frequent billing (Articles 9(1), 9(3) and 10(1)) is subject to it being technically feasible and/or cost effective?

- Yes

Explanation

Only when the conditions below are fulfilled:

- It remains unclear what lies behind the criterion of technical feasibility, given the smart metering infrastructures already in place across the world have proven technically possible.
- Cost effectiveness may be strongly impacted by technical or administrative choices, and should be better defined.

The evaluation should take all consumer savings into account. From one specific system's perspective (network, metering, energy supplier, 3rd party service), smart metering may not appear cost effective for individual consumers; the contrary may be true when evaluated according to a holistic approach.

Above all, a complete approach should also account for the full value of demand-side resources. In the context of energy transition and growing price volatility, all the system benefits related to consumers active participation and already underlined in the COM(2015) 340 communication* should also be taken into account.

* *Communication from the Commission launching the public consultation process on a new energy market design, 15.7.2015.*

4.3. Should such conditions of being technically feasible and/or cost effective be harmonised across the EU?

Explanation

- On technical feasibility, see our answer to the previous question.
- Structural differences in the energy supply across Europe may justify different approaches concerning cost

effectiveness. Further guidance at EU level, complementary to the metering systems' key functionalities would strengthen the Internal Energy Market as well as a competitive European market for metering technology.

4.4. How would these conditions of being technically feasible and/or cost effective affect the potential for energy savings and consumer empowerment?

Explanation

- A streamlining of requirements would lead to wider applicability and enhanced competition of smart metering technologies, which would enhance cost-effectiveness.
- Energy savings and consumer empowerment should be expressed more clearly in terms of outcome to achieve, and monitored through quantifiable indicators:
 - number of consumers involved in dynamic pricing tariffs / related capacity reacting to wholesale prices;
 - number of consumers involved in explicit Demand Response programmes/ DR capacity traded on any power markets for explicit;
 - number of consumers involved in EE programmes/ energy savings attributable to Smart Meters enabled services.

4.5. Smart meters: Do you think that

A) the EED requirements regarding smart metering systems for electricity and natural gas and consumption feedback and

B) the common minimum functionalities, for example to provide readings directly to the customer or to update readings frequently, recommended by the Commission (C(2012)1342) together provide a sufficient level of harmonisation at EU level?

- **No**

Explanation

In order to maximise benefits at system level:

- Distinctly from the data channel providing metering info to the DSO, new and refurbished meters should also be equipped with a standardised electronic port providing direct access (upon approval) to service providers to metering data and tariff.
 - Enabling this port to deliver infra-minutemetering data (≤ 10 sec. frequency) would widen possible energy services.
 - If meter's readings are not frequent enough to measure Demand Response, aggregators should be able to use their own meter, audited and validated by the TSO/DSO beforehand.
- Consumer should have the right to opt for real-time pricing, reflecting benefits of demand response through saving in the sourcing of electricity. This requires:
 - consumers settlement done using actual interval consumption data
 - registration of consumption data aligned on ISP
 - tariff allocation and reconciliation processes linked to the wholesale market.

- Concerning the cost of data, see our next answer.

4.6. What obstacles have national authorities/actors faced in introducing on a large scale individual meters that accurately reflect the final customer's actual energy consumption? Do you have any good experiences to share on how to overcome these obstacles?

Explanation

- In some Member States, regulatory adjustments are needed to improve the flow of data from the DSO to retailers and market players. The potential of smart meters is untapped, as the data gathered by the smart meters are not passed in a timely effective manner to other market operators.
- Minimising the cost of access to data means that:
 - Harmonization of data formats (e.g. Green Button) should be encouraged, permitting the replicability of energy services, in a cost-effective manner across the EU countries.
 - Requirements to show extensive information on the meter display should be avoided. Complementary display (e.g. apps) minimises costs and simplifies the relationship between the meter-provider and the information-editor.