



European Smart Metering Industry Group

WE MAKE METERING SMART

POSITION PAPER

on

***Smart Metering in the energy efficiency directive
(COM 2011/370)***

Recommendations on further proceedings in the Council

16 March 2012

Ref.12-03-16

The **European Smart Metering Industry Group (ESMIG)** is the European industry association that provides knowledge and expertise on Smart Metering and related communications at a European level. ESMIG covers all aspects of Smart Metering, including electricity, gas, water and heat measurement. Member companies cover the entire value chain from meter manufacturing, software, installation, and consulting to communications and system integration. By giving support to European Union institutions, Member States and Standardisation Organisations, the industry group aims to assist in the development of national and European-wide introduction, roll-out and management of Smart Metering solutions.

Boulevard A. Reyers 80, 1030 Brussels, Belgium
Phone: +32 2 706 82 71 – Email: secretariat@esmig.eu - www.esmig.eu

ESMIG welcomes the commitment of Member States and the Danish presidency to reach a first reading agreement on the draft Energy Efficiency Directive but wishes to express its disappointment and concern regarding the Council's stated reluctance to even consider any of the ITRE Committee's amendments on metering and billing in Article 8 and Annex VI.

The original Commission's proposal for Article 8 and Annex VI had one clear objective, namely to empower consumers through better, more frequent and detailed billing information. This objective was supported by the European Parliament with a broad majority and agreement within the ITRE Committee, which further fine-tuned these provisions to ensure that consumers are provided with the technology and information necessary to allow them to gain control of their personal energy consumption, and contribute to the energy savings the proposed Energy Efficiency Directive is striving toward.

In view of the further proceedings, ESMIG submits its recommendations and kindly requests your support.

ESMIG sees the **metering and billing provisions** of the EED as a positive complement to the Smart Metering requirements in the 3rd Energy Package. The additional functionalities for Smart Metering identified by the Smart Metering Coordination Group in standardisation mandate M441 contribute to the fulfilment of the information requirements contained in Annex VI, and provide European energy consumers with the technology necessary to help the EU achieve its ambitious energy efficiency goals, namely increase Europe's energy efficiency by 20% by the year 2020.

The Council has removed entire parts of the Commission's proposal from Annex VI (paragraph 1.1 on minimum requirements for metering of individual energy consumption and 2.1 on frequency of billing based on actual consumption) and refuses to set any minimum requirements for billing concerning frequency and content based on actual consumption and information on time-of-use. To meet these new billing requirements, it is necessary to read energy meters much more frequently, at least monthly for electricity and bi-monthly for gas (or monthly where gas is used for individual heating).

Existing self-reading schemes are probably unsuitable for frequent meter readings in the future, and they should only be of transitory nature.

The proposed **direct feedback provisions** (annex VI, 1.1), namely a mandatory consumer interface and informative billing (annex VI, 2.2) are crucial to empower consumers. They will incentivise and encourage them to control and manage their energy consumption better leading ultimately, to more sustainable energy consumption patterns and significant energy savings¹.

The installation of Smart Meters, which according to the 3rd Energy package will have to take place within the next 10 years, is an opportunity to enable advanced energy services, in particular for end-consumers. Data on energy consumption and production will be made available to third parties leading to energy efficiency and Demand Side Management services. This includes **demand response programmes**, which allow the consumer to react to price signals and to modify energy consumption to more efficient and sustainable patterns. The new Smart Metering infrastructure must be able to do more than just transmit consumption data: through the use of two-way communication, it should also be able to accommodate an energy management system within the home. However, also in this area the Council position does demonstrate a worrying lack of interest in any of the new provisions in relation to demand response as proposed by ITRE. Yet again, a crucial enabler for consumer benefits, namely Demand Response, is overseen by the Council.

¹ [Empower Demand](http://www.esmig.eu/press/filestor/empower-demand-report.pdf) report on "The potential of smart meter enabled programs to increase energy and system benefits: a mass pilot comparison", written and published by VaasaETT, 2011.
<http://www.esmig.eu/press/filestor/empower-demand-report.pdf>