



Brussels, 30 March 2012

TO THE MEMBERS OF THE TASK FORCE FOR SMART GRIDS

Subject: Meeting minutes from the 11th meeting of the Steering Committee of the Task Force for Smart Grids

The 11th meeting of the Steering Committee (SC) of the Task Force on Smart Grids took place on 28 March 2012, from 14:00 to 17:30 pm, hosted by EDSO at their premises.

Main Conclusion:

The SC adopted the tabled *Mission and Work Programme* for the Task Force (updated version distributed the 12.03.2012) subject to amendments proposed and welcomed the launching of the four Expert Groups, who have reported on their planning for the coming period, based on the agreed terms of reference for their operation and their tasks for 2012.

Planning: Next SC meeting – 08 June 2012 in the morning

Following meetings: week of 17-21 September; week of 26-30 November. (Exact dates to be confirmed during the next SC meeting)

The meeting was opened by Mr. Vinois who thanked EDSO for kindly providing their meeting facilities and offering a networking lunch.

A copy of the list of participants in this meeting is enclosed. Following the presentations on the activities of the Expert Groups (EGs) a number of SC members expressed interest in joining additional groups, and were therefore encouraged to send as soon as possible to the secretariat – via email at ENER-SMART-GRIDS@ec.europa.eu - their requests for participating in EG2, EG3 and EG4.

1. Approval of Meeting Agenda and of the Minutes of the 10th SC SG TF meeting

The proposed agenda was approved with no modifications and the minutes of the last meeting distributed on 06 February 2012 to the SC members were adopted with no change. All actions from the last meeting were completed.

2. Presentation of Commission Recommendation on preparations for the roll-out of smart metering systems [C(2012)1342]

M. Sánchez presented the main elements of the COM Recommendation on the roll-out of smart metering systems that the European Commission adopted on 9 March 2012. The Recommendation sets common minimum functionalities of smart metering systems and addresses data protection and security issues. The document also provides helpful step-by-step guidelines for Member States on how to conduct a cost-benefit analysis by 3

September 2012 to comply with their requirements under the Third Energy Package. As such, this initiative is much appreciated by stakeholders, as noted by EURELECTRIC.

In the follow-up discussion CEER remarked that smart metering is one aspect of Smart Grids, and this is the part that can be competitive, opening up new market opportunities.

Concerning communication flows from and to the smart metering system, it was commented that for security purposes there is a unidirectional communication between the Services Platform and the HAN-area, whereas a two-way communication should be provided between the meters at the customer site and the supplier. ESMIG noted that the CEN-CLC-ETSI Smart Metering Coordination Group have produced a rather simplified schematic representation showing the different communication flows.

3. Mission and Work Programme

Regarding the proposed *Mission and Work Programme*, including the Annex for the Expert Groups planned efforts in 2012, two comments had been received on the original version. Namely, from the UK CONSUMERS FOCUS ASSOCIATION for aligning the text in the Mandate with the EG3 tasks – this was already incorporated in the version circulated the 12 March. The other amendment was proposed by the chair of EG2 for entering the term 'cyber-security' in the title of the Group and replacing the word 'framework' with 'template' when referring to their deliverable on Data Protection Impact Assessment. Subject to these amendments, the *Mission and Work Programme* document including the *Annex 1 (Work Programme for 2012)* was adopted.

4. Follow-up of the Expert Groups: Composition, Work Plan, Progress and Deliverables

The Chairs of the Expert Groups presented their groups' composition, respective work programmes, milestones and scheduled deliverables for 2012 which were then opened for discussion.

4.1 – EG1 – Reference Group for Smart Grid Standards – presented by M. Sánchez, EC-ENER

The composition of this group was already approved at the 9th Steering Committee, held on 15 June 2011. The group is working well and no additional experts were requested at the last SC meeting. The group held its most recent meeting on 8 March. The expected tasks for EG1 are:

- to approve and follow the progress/deliverables of both the prioritisation of required standards and the Work Programme for M/490,
- to ensure coordination of the work and deliverables of M/490 with other related mandates for standards, i.e. M/441 for smart meters and M/468 for electric vehicles.
- to ensure that all relevant European actors are associated with the work view of the standardisation activities.

The "*Gap Analysis*" and Programme of Work for the M/490 have been validated at the previous two joint meetings with the CEN/CENELEC/ETSI. The last meeting was held to validate the first drafts for the "*Reference Architecture*" and the "*Use Cases*". The Working Group '*First Set of Standards*' has issued an updated version of the standardisation work programme for Smart Grids. This report is the basis for managing and following-up the standardisation tasks, and for that purpose is updated on a three months basis. It offers an in-depth view of the standardisation activities.

Following a EURELECTRIC question, M. Sánchez clarified that network codes are taken into consideration in the standardisation activities, and also cooperation between the two mandates on smart meters (M/441) and Smart Grids is ensured. In addition, there is coordination with other standardisation work that is currently underway in relation to electric vehicles (M/468 mandate) so as to ensure a coherent framework.

Responding to a question by the UK CONSUMERS FOCUS ASSOCIATION on whether the UK smart metering practices could be diverting from the standards, it was explained that there is a good participation from the UK in the respective standardisation groups and therefore full awareness of what is available in terms of standards. It was also added that European standards are not obligatory; nevertheless many of them will end up being used, as they reflect the best available practices.

4.2 – EG2 – Regulatory Recommendations for Data Privacy and Data Protection in the Smart Grid Environment – presented by L. Beslay, EC-JRC

EG2's kick-off meeting took place on 14 March 2012. The EG2's work programme will be to define regulatory recommendations for data privacy and data protection in the smart grid environment. The new mandate and work programme are based on the opinion of Article 29 Working Party and the recommendations issued during EG2's previous mandate. Two key deliverables are foreseen for Expert Group 2 in 2012: The first one is to develop a proposal for a Data Protection Impact Assessment template for Smart Grids in order to guarantee the protection of personal data for individuals throughout the EU. The second deliverable is to develop a cyber-security assessment framework, in order to guarantee the appropriate management of vulnerabilities and threats, based on the review of possible technological solutions and on the collection of best practices.

Two modifications were introduced in the work programme: A specific reference to 'cyber-security' was added in the title of EG2, and the deliverable of a "Data Protection Impact Assessment *Framework*" was replaced by a "Data Protection Impact Assessment *Template*".

EG2 will build on previous experience, namely the PIA framework for Radio Frequency Instruments Devices (RFID). The focus in this case will however be less wide than for RFID, thus justifying the need for a template instead of a framework.

1) Deliverable I: Data Protection Impact Assessment (DPIA) template for personal data processes within smart grid and smart metering systems.

The DPIA template will be based on the following five pillars. All members will have to analyse and foresee the possible elements composing the five building blocks envisaged for the DPIA template on smart grid system. Originally based on the RFID PIA framework, these five steps will be fine-tuned and validated in order to develop a DPIA template specifically tailored for smart grids:

- Necessity test and criteria for applying a DPIA template.
- Characterisation of application in the smart grid and smart metering systems processing personal data.
- Identification and assessment of the relevant risks
- Identification and Recommendation of controls
- Documentation of Resolution and Residual risks

A first draft of the Smart grid DPIA template will be discussed during WS 2. This draft will be finalized in the course of WS 3. The submission of the final template to the Article 29 working Party is foreseen for the third week of October 2012. Art. 29 Working Party is already involved in the process, as they will be present in WS2.

II) Deliverable two: Cyber-security assessment, vulnerabilities and threats, collection of best practices.

Three sub-deliverables have been envisaged during the Kick-off meeting:

- The identification of Best Available Techniques (see point 3.f and 18 of the Commission Recommendation adopted on 9 March) for smart metering systems based on the analysis of the list of *minimum functional requirements*.
- The identification of Best Available Techniques for smart grid systems based on the *reference architecture*.
- An evaluation of available methodologies for a trustworthy sharing of vulnerabilities and threats analysis of smart grid and smart metering systems among stakeholders

WS 1 will first be dedicated to the analysis of the minimum functional requirements and their relevance regarding privacy and/or security issues. A first series of techniques mitigating these issues will be discussed and listed. A similar analysis will be conducted on the Smart Grid reference architecture during WS 2, together with a visit of JRC labs in Ispra. Input will be provided from the other EG of the SGTF as well as the Expert group driven by DG INFSO and integrated in the envisaged deliverables. WS 3 will be more specifically focused on threats and vulnerabilities sharing mechanisms.

The next EG2 meetings will take place on: Brussels, 11 of May; Ispra, 25 - 26 June; Brussels 20 of September.

4.3 – EG3 – Regulatory Recommendations for Smart Grids Deployment – presented by M. Sánchez, EC-ENER

This Group, chaired by EC-ENER and EC-INFSO, scheduled its kick off meeting for the next day (29 March) after the Steering Committee meeting. This is by far the most populated group counting about 75 members. Consensus among all actors involved is essential, and the aim is, given the tight timeline for the activities and the ambition of the task, not to start from scratch, which could pose a real risk as stated by EDSO, but to capitalise, as underlined by the chairs, on existing knowledge and previous work done. The goal is to arrive at an agreement on main principles for a reference market model and clearly state possible options for viable business models and suitable instruments for accelerating the deployment of smart metering and Smart Grids. The chairs emphasised that there is now a new dimension, compared to the previous setting of the EG3, where both energy and telecoms sectors, and their respective regulators, are sitting on the table. The intention is to explore possibilities for synergies, and new ideas.

In the kick off meeting the content and timing of the work programme will be addressed, and the discussion will evolve around these main areas: existing best practices from where elements and some first ideas for market models (roles and responsibilities) can be drawn, and needs for existing communications versus dedicated communications for the deployment of Smart Grids.

The EG3 key deliverables are:

- the definition of a reference market model, of options for viable business models and suitable instruments for accelerating the roll-out of Smart Meters and foster the deployment of Smart Grids
- investigation of the potential implications for the regulatory frameworks to efficiently facilitate the roll-out.

Following the discussion on market models, EURELECTRIC stated that a fair representation of all key stakeholders should be ensured within the group in order to have all opinions heard and all aspects accounted for. The chairs noted that, for those who now realise that they would also like to be involved, are invited to send their delayed nominations (as for EG2, and EG4) to the secretariat.

4.4 – EG4 – Smart Grid Infrastructure Deployment – presented by C. Schramm, EC-ENER and M. Stantcheva, EC-INFSO

The output of this group is used by the Commission to identify and implement projects of common interest under the regulations on guidelines for Trans-European Infrastructure (COM (2011)658 and 657). The key deliverable is therefore to define and test the process for identifying projects of common interest, on an informal basis, and identify a first preliminary list of projects during this preparatory year; as a second deliverable, to update the Smart Grids project inventory. The group comprises Members States (specifically for the energy infrastructure projects), National Regulatory Authorities, potential project promoters, ENTSO-E, ETNO, ACER, BEREC, and the European Commission. The Group held its kick off meeting on 9 March where the proposed programme of work and deliverables were discussed. In addition, the timeline and a proposal for a draft assessment framework for projects under the energy infrastructure regulation were tabled for comments by 30 March.

It was clarified that the proposal for the telecommunications infrastructure regulation refers to localised projects covering the last mile, whereas the proposal for energy infrastructure regulation, due to its nature (based Article 172), is calling for projects with significant cross-border impact and equipment/installations designed for 10kV or more. In addition the energy projects should involve TSOs and DSOs from at least two Member States, at least 100,000 users should be covered, and 300 GW/h of which at least 20% originate from non-dispatchable resources. The EC clarified, in answer to a question by T&D, that the drivers behind these parameters, are not technical but reflect the clear division between different Programmes, and constitute a pre-condition for the Energy Infrastructure Package. It was emphasised that the focus of the EG4 is to facilitate the synergy and collaboration of DSOs and TSOs operating new systems. It was recognised that the benefits of such actions are relevant to the consumers and are taken into consideration in the assessment framework proposed, which when approved by the group will be presented to the SC.

On the remark by MARCOGAS that energy infrastructure is also gas and not just electricity, it was noted that the EC is open to proposals and encourage the possibilities for looking at both gas and electricity.

5. Any Other Business & Closing Remarks.

The Members were reminded of forthcoming events related to the work of the Task Force. Namely:

- Smart Grids High Level Event, Brussels, 3-4 May. Open registration
- International Standardisation Plenary, Brussels, 18-19 June (by invitation only)
- International Conference of Smart Grid Standards, Brussels, 24 January, 2013

Next SC meeting – 08 June 2012 in the morning, from 9:30 to 13:00

Following meetings: week of 17-21 September; week of 26-30 November (exact dates to be confirmed during the next SC meeting)

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