

Info-day for Member States on the Task Force for the implementation of Smart Grids

Meeting minutes

Albert Borschette Conference Center,

Brussels, 14 October 2010

1. Introductory presentations

Inge BERNAERTS (DG ENER) in chair opened the meeting, giving a brief outline of Commission's view on the Smart Grid development, including the main policy drivers and challenges for this development. After this general introduction, main objectives and activities of the Smart Grid Task Force were presented.¹ The presentation was followed by presentations of the three chairmen for each of the Task Force Expert Group.

Alain DOULET (ENDSO/EDF), chairman of the Expert Group 1 of the Task Force presented the scope, activities and the preliminary results of the Group. Chairman explained that the main task of the group is to define the connection between the smart meters and the Smart Grids, focusing on the integration of smart meters into the overall Smart Grid concept. As explained by Mr. DOULET, the current European electricity infrastructure will need to be modernized but Smart Grids cannot be considered just in terms of simple infrastructure upgrade. Components such as communication, new services, data and technology applications are integral part of the Smart Grid concept and go beyond the "business as usual" electric infrastructure. Smart Grids will, however, not remove the need of traditional infrastructure investments. Moreover, Smart Grids is not a self-standing concept that can be developed in isolation. It has to fit with other systems, for example the Smart House system. Crucial issue will be to develop interfaces between the Home Area Network (HAN) and the Smart Grid network. Mr. DOULET explained that when defining the functionalities of the Smart Grids, the primary consideration was given to services first and then the technology underlying these services were considered. Future technical standards will need to enable these services. Mr. DOULET further underlined that any Smart Grid recommendation should be market neutral (not favour any specific market model). It is important to develop viable business models for Smart Grid development. The model should include a proposal for a fair split of costs and benefits between different actors (DSOs, consumers, etc.).²

Frank HYLDMAR (VP EMEA/ESMIG), chairman of the Expert Group 2 of the Task Force illustrated the dangers Smart Grid can pose to the data security and data privacy and presented possible solutions to the problems. Differentiation between customer data and technical data is one possible solution. Other solutions are; a) getting the consumers' prior consent to data gathering, b) data aggregation, c) anonymization of data and d) additional legal regulation. In practical terms, the Group has identified areas with increased security risks and has matched these security risks with existing data security standards. Based on this assessment, Expert Group 2 will draft detailed recommendations for a mandate to be developed by European Standardisation Organisations. Final recommendations are to

¹ See Annex 3 for further details of the presentation.

² See Annex 4 for further details of the presentation.

be submitted in December 2010 at latest and are to cover both the existing and future necessary standards.³

Tahir KAPETANOVIC (ERGEG/E-Control) chairman of the Expert Group 3 of the Task Force presented the scope, activities and the preliminary results of the Group. Chairman explained that the group, just as Expert Group 1, focuses primarily on Smart Grids while Expert Group 2 deals more with smart meters. The Group has been seeking to define roles and responsibilities of all involved actors (from the regulatory point of view), to define criteria and recommendations for funding of Smart Grid deployment and to advise the Commission on the need of any additional legal framework at the EU level in support of the Smart Grid deployment. Chairman presented 10 regulatory recommendations and several recommendations for funding, including an evaluation template. The Group is of the preliminary view that there is no need for new Directive or Regulation regulating the network and building further on the 3rd Package. There is, however, a need for harmonized and effective implementation of the 3rd Package. Additional legislation on data security aspects might be necessary and there is also a need for the development of technical standards. Support for Smart Grid investment will also need to be strengthened.⁴

2. Discussion

Some Member States (DE, AU) expressed concern about the fact that TSOs/DSOs would be dealing with ITC related issues when implementing Smart Grids. Access of DSOs to sensitive data should be limited, according to DE. DE also highlighted the need to limit the scope of DSOs' "reach" and ensure that adjacent markets such Home Area Network (HAN) remain open. Also AU stressed the need to set the limits between the grid and the applications at home. Rules for the interface between the two areas should be developed. Future setting should also enable new actors (telecom service providers) to enter the Smart Grid market. Mr. DOULET informed that the HAN is outside of the scope of the Group 1 activities. He confirmed, however, that the interface between HAN and the grid will need to be defined very precisely and the Group 1 will provide recommendations for the mandate to the European standards bodies. Mr. DOULET further informed that the Group has not looked at situations where the customer is in direct contact with the supplier (without DSO being involved).

DE and BE called on the Commission and the Task Force to ensure that the market model is staying as neutral as possible, be sufficiently open for all new actors and not interfere with the Commission's target model. Mr. KAPETANOVIC assured that this is not the case, electricity target model agreed at the Florence Forum remains valid. Smart Grid will need to take place in 27 different national environments and Task Force/Commission are very careful with proposing any new recommendation/legislation. He also remarked that the Third package contains provisions on Smart Grids but these stretches only toward 2020.

Mr. SANCHEZ (DG ENER) stated that the Commission very much wants an open retail market and in order to safeguard the openness the Commission wants to assess whether any further legislative initiatives for smart grid implementation are necessary under the rules of third internal energy market package. The assessment will take into account at least the following objectives: i) ensuring

³ See Annex 5 for further details of the presentation.

⁴ See Annex 6 for further details of the presentation.

the adequate open access and sharing of operational information between actors and their physical interfaces; ii) creating a well-functioning energy services market; and iii) providing proper incentives for grid operators to invest in smart technologies for smart grids. Based on this analysis, the final decision concerning specific legislation for smart grids will be taken during the first half of 2011

ENTSO-E representative urged the Task Force and the Commission possibly also to look at the way Smart Grids may affect the wholesale market (balancing, intra-day market). Eurogas representative remarked that most of the functionalities and features identified in the Expert Group 1 do not fully apply for gas smart grids. Mr. SANCHEZ invited Eurogas to present a proposal and to discuss gas smart meters/ at the next Task Force Steering Committee.

NL representatives called on the Commission and the Task Force to launch demonstration projects, involve real consumers and openly discuss issues of concern. The NL experience (failure to push through the law in the Parliament because of the opposition from consumers) shows that consumers concerns need to be taken seriously. It is very important to address data privacy issues on an EU level. BEUC representatives supported the view. NL representative also referred to the KEMA study, saying that if more than 20% consumers would be allowed to opt-out from the smart meters, deployment would no longer pay-off. Mr. HYLDMAR informed that consumer groups have been involved in the Expert Group 2 and contributed substantially to the final outcomes. Mr. HYLDMAR stated that European Data Protection Supervisor will be soon involved in all future work too. The consumer organisation ANEC welcomed the preparation of a draft mandate on data protection but urged the Task Force not to focus only on technical aspects. Comment was taken into account and Mr. HYLDMAR confirmed that the draft mandate would be submitted to the Commission by the end of the year. Also Luc VAN DEN BERGE from Joint Working Group of CEN-CENELEC-ETSI confirmed that a draft text of technical mandate will be delivered by the end of 2010. Speaking on behalf of Expert Group 3, Mr. KAPETANOVIC welcomed these initiatives, reiterating that the Third Package constitutes sufficiently stable framework for the further development of network towards the Smart Grids.

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European Commission
Centre of Conferences Albert Borchette
rue Froissart 36, Brussels
Meeting Room AB-2A

14 October 2010, from 14:30 to 17:30

Draft Agenda

14:30	Welcome and presentation of the Task Force	EC
14:45	Work and provisional conclusions of the Expert Groups	Chairmen of the Expert Groups
	1. Standards and interoperability	
	2. Data protection and handling	
	3. Rules and responsibilities	
16:15	Questions and discussion	all
17:15	Conclusions	EC
17:30	End of the meeting	

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Name and organisation	Member State
Arkadiusz Szymanski, Expert in Permanent Representation of Poland to the EU	Poland
Daniel Azzopardi Energy and Land Transport Attache' Permanent Representation of Malta to the European Union	Malta
Stanislav Brejcha Ministry of Industry and Trade Na Františku 32 110 15 Prague 1	Czech Republic
Mr. Pieter Boot Ministry of Economic Affairs, Directory of Energy and Sustainability	The Netherlands
Gérard Meyer, Ministry of Economics	Luxemburg
Dr. Franc Žlahtič Ministry of Energy	Slovenia
Mr. Kleemann and Mr. Paulssen, Bundesministerium für Wirtschaft und Technologie	Germany
Timo Ritonummi Chief Engineer, Energy Department Ministry of Employment and the Economy	Finland
Pamela Lathbridge Policy advisor, Dept of Energy and Climate Change	UK
Truls Borgström , Desk Officer Ministry of Enterprise, Energy and Communications. Energy Division	Sweden
Gerard Vones, Federal Ministry of Economy, Family and Youth	Austria
Marianna JAKAB Energy Attaché Permanent Representation of Hungary to the EU	Hungary
Massimo Gallanti on behalf of the Italian Ministry of Economic Development. Head of Power System Development	Italy

RSE SpA, Milan (Italy)	
Florian Lewis Adjoint au chef du bureau des réseaux électriques MEEDDM/Direction Générale de l'Energie et du Climat	France
Claude Adams Conseiller - Chef de service Direction générale Energie - Autorisations et nouvelles technologies Thierry Van Craenenbroeck Directeur Netbeheer Vlaamse Reguleringsinstantie voor de Elektriciteits- en Gasmarkt	Belgium
Michael Goodwin Energy Attaché Permanent Representation of Ireland to the EU	Ireland
Mr.Egons Jansons Permanent Representation of Latvia to the EU. Attaché for Energy	Latvia
Mrs Marián Husárik Permanent Representation of the Slovak Republic to the European Union, Energy attaché	Slovak Republic
Mrs. Ona Kostinaitė-Grinkevičienė Permanent Representation of Lithuania to the EU Energy Attachée	Lithuania
Mrs Brigitte Bay The Permanent Representation of Denmark to the EU. Energy Attaché	Denmark

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Name	Organisation
Mr. Frigyes Reisch	ANEC
Mr. Johannes Kleis Mrs Heidi Ranscombe Mrs Monika Stajnarova	BEUC
Mr. Tahir Kapetaniovik	ERGEG - CEER
Mr. Marco Signa Mrs Francesca Meloni	CECED
Mr. Gert de Block	CEDEC
Mr. Luc Van Den Bergue	CENELEC
Dr. Fiona Riddoch	COGEN
Mr. Pierre Mallet Mr. Alain Doulet	EDSO4SG
Dr. K. Staschus Chavdar Ivanov	ENTSO
Mr. Josche Muth	EREC
Mr. Martin Spät Mr Stephen Bonner	ESIA
Mr. John Harris Kalus-Dieter Axt Frank Hyldmar	ESMIG

Mr. Gunnar Lorenz Mr. Simoneta Naletto	EURELECTRIC
Mr. Joaquin Mendiluce Villanueva	EUROGAS
Peter Hug	Eu.bac
Evelyne Schellekens	AIE
Mr. Oliver Blank	T&D Europa

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Info-day with Member States – **Commission staff**

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Name	Directorate-General
Inge BERNAERTS	ENER
Manuel SANCHEZ JIMENEZ	ENER
Kristian TAKAC	ENER
Michal SPIECHOWICZ	ENTR
Vicenzo GIORDANO	JRC-Petten
Robert HELP	ENER
Anthony MYERS	JUST
Daniel HANEKUYK	ENTR
Christophe SCRAMM	ENER
Marc DEFFRENNES	ENER
Mercé Griera-I-Fisa	INFSO
Henrik DAM	RTD