



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

DIRECTORATE B - Security of supply and energy markets
The Director

Brussels, 15 June 2011

TO THE MEMBERS OF THE TASK FORCE FOR SMART GRIDS

Subject: Meeting minutes from the 9th meeting of the Steering Committee of the Task Force for Smart Grids

The 9th meeting of the Steering Committee of the Task Force on Smart Grids took place in Brussels on 15 June 2011, from 15:15 to 18:00.

Main conclusions:

1. Final reports of Expert Groups (EG) 3 and 4 have been submitted and approved. The Commission will organise a joint meeting with EG2 after the summer break to identify the needs for sectorial legislation on privacy and security in Smart Grids. EG2 will update its second report with the outcomes of such a meeting and re-submit it by the end of the year.
2. Commission presented the main highlights of the Communication on Smart Grids (COM (2011)202 of 12 April) and progress of some steps already done regarding standards and an specific legislative proposal under the current revision of the Energy Efficiency and Services Directive.
3. JRC presented the report on lessons learned and current developments on Smart Grids projects in Europe. It will be published next week.
4. Mandate M490 for Smart Grid standards has been accepted by CEN, CENLEC and ETSI as issued by the Commission on 1st of March. Starting time for the Mandate is the 1st of June. Progress, structure and plans were presented by ESOs. Commission presented the tasks and initial structure of the Reference Group under the Mandate with a view to ensure timely adoption of the Smart Grids related standards.

The meeting was opened by Mr. HILBRECHT (EC DG ENER). Steering Committee composition remained unchanged. Steering Committee member list is in Annex 1.

1. Approval of the agenda for the 9th SC SG TF meeting

The agenda of the meeting was approved without any changes.

2. Approval of the minutes of the 8th SC SG TF meeting

Minutes of the last meeting were distributed on 7 March to participants. No comments were received. The minutes were approved as distributed.

3. Presentation of deliverables of the Expert Groups

Main work of the Expert Groups has been finalised and loaded into the Task Force's web, at http://ec.europa.eu/energy/gas_electricity/smartgrids/taskforce_en.htm. With the support of the EG's Chairmen, the Commission will produce a summary of main outcomes achieved in the Task Force and load it in the web site by the end of June.

3.1. Expert Group 2

On behalf of EG3's chairman, Mr. REINDERS (Alliander, NL) presented the process and latest status of the second EG2 deliverable, which provides further assessments on regulatory requirements and recommendations for data handling, data safety and consumer protection. EG2 concluded that the standardization of interfaces, the implementation of security by design and data privacy principles in relevant devices will need clear governance from EU and national authorities to resolve obvious conflicts with Measurement Instrument Directive and national institutions. EDSO, CEER and Digital Europe will send comments to Mr. Hylmar and Mr. Reinders to be implemented in this second deliverable.

The presentation was followed by a profound debate among the participants on what additional measures might be necessary in this respect.

Mr. HILBRECHT concluded that there may be a need for a legislative proposal for a sector-specific directive on Smart Grid data protection to complement the data protection framework, i.e. Data Protection Directive, the ePrivacy Directive and Data Retention Directive. The Commission will organise a joint meeting with EG2 after the summer to define the scope and regulatory recommendations for such legislative proposal. Final report on Regulatory Recommendations will take into account the outcome of such a meeting and will be submitted to the Steering Committee for approval before the end of the year.

3.2. Expert Group 3

The EG3 report is finished. It was distributed with the invitation to the SC meeting. Mr. KAPITANOVIC (ERGEG) thanked all participants for the work done.

The SC approved the EG3 report and asked the Commission to upload this final version into the web of the Task Force.

3.3. Expert Group 4

Chairman of the EG4, Mr. DEHAESELEER presented the main conclusions of the report, which was distributed with the invitation for this SC meeting. Based on the work on electricity grids carried out by EG1, this report defines the services and functionalities of smart gas grids. The report also addresses specifically the benefits of cogeneration and micro-generation, together with initiatives related to standardisation and future regulations. According with the EG4, and in contrary to smart electricity grids, smart gas grids can be developed independently of a complete roll-out of smart gas meters; however, when smart gas meters are used, they would provide opportunities to offer additional benefits and services to stakeholders including consumers. EG4 has concluded that smart gas grids cannot be developed in isolation but should be linked to future electricity smart grids and should facilitate smart energy utilisation, e.g. in cogeneration (CHP), heating and cooling.

The SC approved the EG4 report and asked the Commission to upload it into the web. EG4 discussions will continue under Marcogaz who will keep Commission informed of further developments and events.

4. Commission Communication on Smart Grids: from innovation to deployment

M. SANCHEZ (EC DG ENER) presented an overview of the Commission's Communication COM(2011)202 on Smart Grids, adopted on 12 April 2011. Emphasis of the description was on the proposed five actions towards the deployment of Smart Grids in Europe. He underlined the main highlights of the Communication and steps already done. In particular:

- Last month, the European Standard Organisations accepted the Commission's mandate for the development of technical Smart Grids standards by 2012, which the EU Council has backed already these endeavours politically.
- The Communication calls upon Member States to draw up action plans with targets for the implementation of Smart Grids. On that point, BEUC suggested that National plans should include an assessment of the benefits for each consumer segment.
- The Communication also calls upon the regulators to consider regulatory framework amendments and, in particular, emphasises the necessity of safeguarding the competition on the retail markets. Mr. SANCHEZ informed that the Commission is presently preparing an specific legislative proposal for the deployment of Smart Grids and associated energy services under the current revision of the Energy Efficiency and Services Directive. A final proposal is planned to be adopted by the Commission on 22nd of June. It proposes inter alia that network regulation and tariffs shall be available to support dynamic pricing for demand response measures and shall allow network operators to offer system services and system tariffs for demand response measures taking into account the availability of renewable energy as well as the energy savings by energy aggregators.
- For the high to medium voltage, the Commission's legislative proposal on energy infrastructure will in particular consider the need for specific support for Smart Grid deployment, closing the gap between research and demonstration and large-scale industrial roll-out. The proposal is scheduled for November 2011.

5. Progress of recent actions launched in the Task Force

5.1. catalogue of projects, lessons learned and cost-benefit analysis

Mr. GIORDANO (EC JRC, Petten) presented the final DG ENER/JRC's report with the lessons learned and current developments of Smart Grids projects in Europe. The study shows an uneven distribution of Smart Grids projects among EU countries, with the EU15 being in the lead. Some highlights are described below.

In almost all countries, investments tackle mainly the integration of technologies and applications, as integration is a key challenge of smart grids. Out of the 224 projects inventoried, the majority of them are in the demonstration phase, although deployment projects (representing only 7% of the total) concentrate 58% of the total investment, estimated to be around €5 billion. The remaining 93% of the projects are small to medium sized research and demonstration projects, with average budgets not exceeding €10 million. This suggests a need to invest in larger scale demonstration projects to gain better knowledge of some innovative solutions and to validate results.

The figures presented show as well the leading role played by Distribution System Operators (DSOs) in coordinating Smart Grid deployment across Europe. DSO-led projects represent about 27% of all projects and about 67% of investments. However, the study warns that current regulation in EU Member States incentivises cost efficiency by reducing operation costs rather than upgrading towards a smarter system.

Finally, success stories in Italy, Sweden and Portugal confirm that consumer engagement is crucial to the effectiveness of smart electricity systems. Smart Grids enable a two-way exchange of information and power between generators and consumers, and this leads to increased transparency, promoting responsible energy saving measures on the consumers' side, such as avoiding the standby mode.

The report will be published next week. A link with this publication will be included at the web site of the Task Force.

Finally, Mr. GIORDANO also informed about the running effort for testing the EPRI's model for Cost-Benefits Analysis with real data from EU projects. Cooperation has already established with Eurelectric and the Portuguese project Inovgrid. A final report is planned by end of this year.

5.2. Overview of final steps, structure and plans for the Standardisation Mandate M490 to ESOs to support Smart Grids deployment

The Commission issued the mandate M490 (standards for Smart Grids) on 1st March. The three European Standard Organisations (ESOs: CEN, CENELEC and ETSI) has adopted the Mandate on 31st of May, so the Mandate has entered into force on the 1st of June.

Mr. VAN DEN BERGHE (CEN-CENELEC) presented the initial steps and how the CEN/CENELEC/ETSI Joint Working Group Smart Grids (JWG) has been reorganised in order to provide the expected deliverables of Mandate M490 as well as to coordinate the outcomes with the existing mandates M441 (smart metering) and M468 (electric vehicles). The new structure consists on

- Smart Grids Coordination Group (SG-CG) to ensure the appropriate respond to the Mandate;
- SG-CG sub-groups to address each of the strands in M490, i.e. technical reference architecture, set of consistent standards, and sustainable standardisation processes;
- Technical Committees (TCs) to develop standards to meet the requirements of the Mandate.

ENTSO-E will propose members for the SG-CG and TCs.

5.3. Set-up of the Smart Grid Reference Group for Standards

The Mandate M490 and the recent Commission's Communication for Smart Grids foreseen the creation of a "Reference Group" (RG) to monitor the implementation of the work programme established under the Mandate with a view to ensure timely adoption of the Smart Grids related standards by the end of 2012. The expected tasks of the RG are:

- to approve and follow the progress/deliverables of both the prioritisation of required standards and the Work Programme for M490,
- to ensure coordination of the work and deliverables of M490 with other related mandates for standards, i.e. M440 for smart meters and M468 for electric vehicles.
- to ensure that all relevant European actors are associated with the work

Mr. SANCHEZ explained these tasks and the initial composition of the RG, which is based on 6 Commission's services and 12 external experts proposed by EGs as advisors of the RG

6. Final remarks and end of the meeting

Mr. HILBRECHT remarked the successful work done in the Task Force. In particular, he congratulated the members of the Steering Committee, the chairmen of the Expert Groups and the more than 200 experts from all market actors who have been participating since November 2009 and achieved a large consensus about the policy and regulatory directions for Smart Grids. The individual deliverables and the Commission Communication are good examples of the high quality of the work and the high degree of consensus achieved. He also remarked that, the Task Force has demonstrated to be a very useful instrument to coordinate the initial steps inside the Commission (7 services) and among all actors in Europe in times when interest and activities on smart grids issues have growth very quickly. He thanked all of them for the excellent work and the high quality results.

Regarding the next meeting, the Commission will propose a date for a meeting, if needed, when submitting the final EG2 Report on data privacy by the end of the year.

Manuel SANCHEZ JIMENEZ, ☎ +32 2 2992063

ANNEX 1 - Steering Committee Members (*)

Name	Position	Email
Mr. Heinz Hilbrecht	Director, European Commission DG ENER	Heinz.hilbrecht@ec.europa.eu
Mrs Evelyn Schellekens	AIE General Secretary	eschellekens@aie.eu
Mr. Frigyes Reisch	ANEC, European consumer voice in standardisation	frigyes.reisch@fatburen.org chiara.giovannini@anec.eu
Monika Strajnarova and Johannes Kleis	Economic Official, European Consumer's organisation, BEUC	MSt@beuc.eu johannes.kleis@beuc.eu
Ms. Asta Sihvonen- Punkka	CEER Vice President, EWG Chair, Director General of Finish Regulatory Authority	asp@emvi.fi Asta.Sihvonen- Punkka@energiamarkkinavirasto.fi
Mr. Paolo Falcioni	Vice Director General CECED Domestic Equipment Manufacturers	Paolo.falcioni@ceced.eu
Mr. Gert de Block	Secretary General - Federation of Local Energy Companies, CEDEC	gert.deblock@cedec.com
Mrs. Elena Santiago	Director General CENELEC Central Secretariat	esantiago@cenelec.eu direction@cenelec.eu
Dr. Fiona Riddoch	Managing Director COGEN	fiona.riddoch@cogeneurope.eu
Mrs. Bridget Cosgrave	Director General, DIGITALEUROPE	bridget.cosgrave@digitaleurope.org
Mr. Pierre Mallet	Secretary General of ENDSO4SG	pierre.mallet@erfdistribution.fr
Mr. Patrick Clerens	Secretary General EPPSA Power Plant Suppliers Association	p.clerens@eppsa.org
Dr. K. Staschus	Secretary General European Network of Transmission System Operators, ENTSO-E	Konstantin.staschus@entsoe.eu
Mr. Josche Muth	Policy Adviser at European Renewable Energies Council EREC	muth@erec.org
Mr. Martin Spät	Director ESIA European Semiconductor Industry Association	secretariat.gen@eeca.be
Mr. John Harris	Head Regulation and Policy Group of European Smart Metering Industry Group (ESMIG)	john.harris@landisgyr.com
Mr. Mark Ossel	ESNA Board	ossel@echelon.com
Mr. Walter Weigel	General Director, ETSI	Walter.weigel@etsi.org
Mr. Peter Hug	Managing Director Eu.bac, European Association of Building Automations Systems and Controls Manufacturers	peter.hug@eubac.org
Mag. Roland Tropper	Executive Director of European Association of medium-sized Energy Companies (EVME)	Roland.Tropper@voeew.at
Mr. Hans ten Berge	Secretary General Union of the Electricity Industry – EURELECTRIC	htenberge@eurelectric.org
Mr. Joaquin Mendiluce and Mr. Daniel Hec	Chairman of the Committee of Gas Distributors, EUROGAS	jmendiluce@gasnatural.com daniel.hec@marcogaz.org
Mr. Miguel Angel Sánchez Fornié	Chairman of the Board of Directors, European Utilities Telecom Council (EUTC)	msanchezf@iberdrola.es
Mr. Joan Prat	General Director GEODE	info@geode-eu.org
Mr. Adrian Harris	Director General ORGALIME	adrian.harris@orgalime.org
Mr. Giuliano Monizza	Vice-President of T&D Europa's	giuliano.monizza@it.abb.com

(+) Relevant Commission services (CLIMA, ENER, ENTR, INFSO, JUSTICE, JRC, RTD, SANCO) are participating in the Steering Committee meetings.