

IWEA response to the Consultation on Possible National Rollout Scenarios for the Smart Metering Cost Benefit Analysis

14 January 2011

IWEA welcomes the opportunity to respond to the second consultation on Possible National Rollout Scenarios for the Smart Metering Cost Benefit Analysis. In our response to the first consultation we noted that smart metering will be an essential component of energy management in the near future. Smart meters can facilitate improving energy efficiency by empowering consumers with enhanced information and pricing signals, thus helping consumers reduce any unnecessary energy usage and shift any discretionary electricity usage away from peak consumption times. IWEA believes that a robust smart metering system should be introduced that will facilitate a smarter electricity system, with real time signals determining demand side use of electricity.

IWEA believes that smart metering is an essential component in the empowerment of demand response which will greatly increase the efficiency of the energy industry in Ireland and will increase our competitiveness and energy security. We note that the pace of development of technology is increasing and that the ability for Irish and global companies to develop innovative products and services to enable more intelligent demand management continues to grow. Creating conditions in which these companies can develop and deliver solutions that are attractive to consumers will:

- Provide opportunities for customers to reduce their energy costs
- Reduce Carbon emissions
- Increase the efficiency of overall energy system operation and the competitiveness of Ireland as an investment location
- Promote the development of leading edge innovation in the Irish energy industry and stimulate growth in associated companies
- Facilitate the integration of more renewable resources.

IWEA supports the proposals relating to smart meter functionality, however we believe that the area of smart metering should establish a suitable environment for the development of innovative solutions rather than the establishment of a myriad of incentives and command and control schemes. The proposals relating to smart metering functionality should specify the minimum requirements of the meters, but do not need to be overly prescriptive. We would be concerned that the solutions may become too specified, but that by allowing some flexibility, it would enable solutions to be developed by industry that would meet the needs of customers. It would also promote more competition in the market for smart meters and should help minimise the cost of the smart metering roll-out. IWEA also believes that the Irish metering specifications should be in line with well understood international standards.

In particular IWEA welcomes the proposal that smart meters facilitate the measure of import and export data as this will encourage the use of microgeneration and electric vehicles in demand side management. It is essential that any smart metering developments facilitate recording and measuring of export values for microgeneration. With the introduction of two-way smart metering devices, electric vehicles can play an important role in the flattening the load curve by charging at times when there are large amounts of generation and potentially acting as a battery source and feeding into the grid at times of peak demand.

IWEA also believes that real time pricing information will play an essential role in demand side management and this will need to be facilitated by any smart metering program. Energy management systems can control the discretionary use of devices so that they can run at times of low electricity prices. This feature will become increasingly important as the level of penetration of renewables increases, allowing the demand profile to adapt to changing generation profile. The development of smart metering and smart networks will facilitate larger amounts of wind generation on the electricity system, thereby promoting the development of renewables and facilitating a cleaner electricity system and enhancing security of supply. There is a need for more robust and reliable ex-ante wholesale pricing so that suppliers can give customers accurate pricing profiles to allow for efficient demand-side use of electricity.