



Reform of the EU's electricity market design European Commission's public consultation

ESMIG position
13 February 2023

The revision of the EU's electricity market design is a great opportunity to fully recognise the potential of smart energy solutions for savings, and notably for demand-side flexibility but also for energy security. Deploying smart energy solutions and unleashing the power of energy data can have a major positive impact on savings and consumer bills both in the current crisis context and in the long run.

The Commission clearly underlined in the Digitalising the energy system Action Plan (October 2022) that it is key that consumers have a smart electricity meter installed in their home as smart meters bring tangible energy savings, empower consumers to better manage their energy, and enable the integration of a growing share of renewables, supporting the green energy transition and reducing the reliance on fossil fuels and energy imports.

To ensure that active consumers and demand-side flexibility (DSF) are at the core of the reform of the EU's electricity market design, the following actions are needed:

- Accelerating the roll-out of electricity smart meters and setting new ambitious deployment targets given that the EU's 80% target for 2020 has been missed is a crucial element to build a more resilient and consumer-centric EU electricity market.
- Repeating cost-benefit analyses in Member States where they were negative or inconclusive, fully factoring in the European Green Deal and the REPowerEU Plan and all the benefits for consumers, as they enable savings through smart tariffs, and the integration of distributed energy sources, from heat pumps to smart vehicle charging.
- Enabling all functionalities and use cases for smart meters, which vary widely across Europe. Smart meters are a mature and powerful technology which needs to be deployed and used to its full potential in Europe: Implement all existing EU provisions for flexible consumption and generation in Member States.

As regards the Commission's proposal to include measures aimed at incentivising the development of flexibility solutions in the market through the installation of submeters, EMIG would like to make the following comments:

- The use of submeters can be useful for demand response and energy storage to inform the consumers on their consumption/production and help with automation. Indeed, Energy Management Systems can use information from the submeters to manage the devices. However, submeters cannot be used for billing and settlement.

- The flexibility needs to be measured at the contact point with the grid. Smart meters are required to ensure an efficient and secure management of the grid. Therefore, submeters can only be complementary to the smart meter.
- In general terms, more data means better accuracy. However, for reliability these submeters should be under similar scrutiny (measurement accuracy, certification) as billing/balancing meters. This would bring these sub-meters under the same data exchange requirements with energy market processes as billing/balancing meters.
- The nature of sub-meters is that they measure only part of the energy consumption/generation in the connection point. For using the data from both billing/balancing meters and sub-meters together, the time of all types of meters should be synchronized to avoid inaccuracies in related calculations.
- To have a valuable positive impact on DSF, multiple submeters would need to be installed. It is therefore difficult to evaluate whether the added complexity and related costs would be covered by the possible benefits in addition to the existing smart meter's functionalities enabling DSF.

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About ESMIG

ESMIG is the European voice of the providers of smart energy solutions. Our members provide products, information technology and services for multi-commodity metering, display and management of energy consumption and production at consumer premises.

Our activities are focused on systems for smart metering, consumer energy management and safe and secure data transfer.

We work closely with EU policy makers and other EU associations to make Europe's energy and water systems cleaner, reliable, more efficient and the European consumer informed, empowered and engaged.