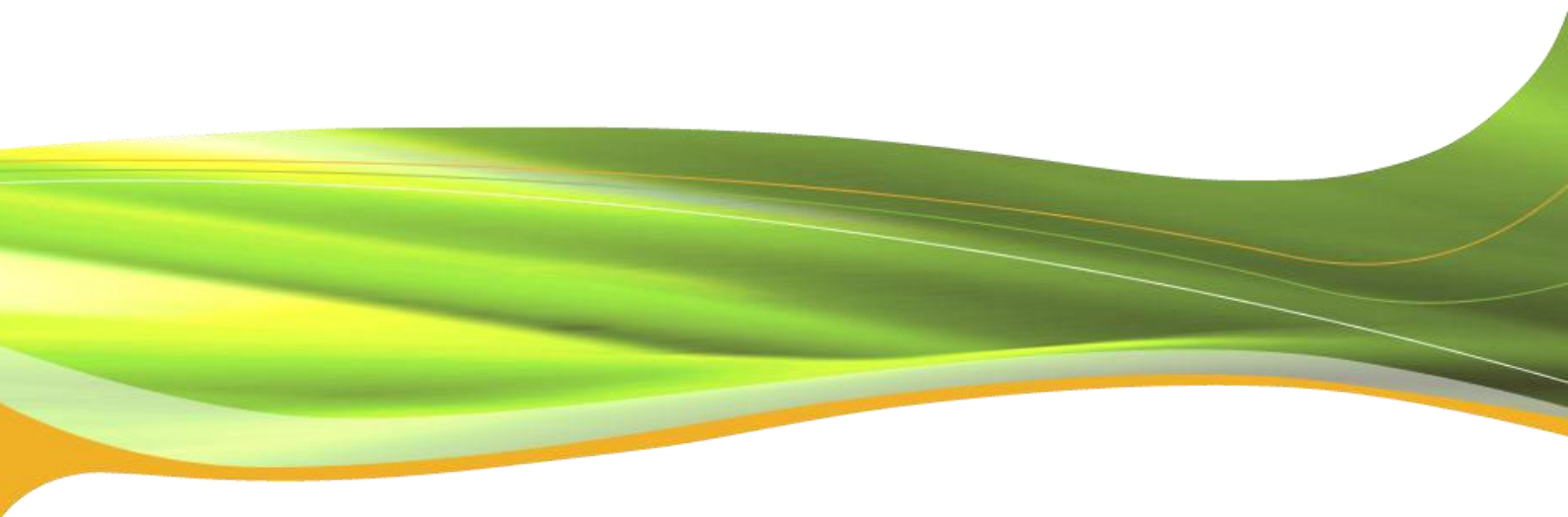


EDSO
for smart grids



Views on the proposal for a regulation on guidelines for Trans-European energy infrastructure



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On the 19 October 2011, the European Commission released a proposal of regulation on guidelines for trans-European energy infrastructure (2011/0300). EDSO for Smart Grids regarded this new text as a positive step to bolster the grid operators' efforts to invest in the European grid. On the 26 March 2012, a draft report was presented to the ITRE committee, with a number of positive evolutions, notably the proposed widening of the scope of priority 10 (smart grids) to include all voltage levels.

EDSO for Smart Grids would like to contribute to the discussions currently taking place in the European Parliament by highlighting the role distribution system operators can play in smart grids development.

The European Union certainly needs new trans-border connections to develop a true European grid, enabling the European energy market to reach its full potential, but the cross-border connections are only one of the pieces in the European energy puzzle.

As pointed out in the European Commission's Energy Roadmap 2050, the EU will see a growing share of renewable energy sources connected to the power grid and a steady transition toward a complex combination of a few large centralised power plants and a great number of small and decentralised power generating facilities. Coping with this new complexity will require smart technologies and information exchanges all along the energy chain.

Distribution system operators are committed to ease the energy transition and to invest in the grid to make it happen. Thus, EDSO for Smart Grids encourages the Members of the Parliament to reconsider the funding criteria for Smart Grids and the role assigned to DSOs in the current proposal.

Four key-issues identified

Distribution system operators have a role to play in the Regional Groups

Distribution system operators are committed to modernise their installations and make the necessary investments to ensure the security of supply and the transition toward a cleaner and more efficient electricity grid. To do so, large investments will be needed.

According to the World Energy Outlook 2011 from the International Energy Agency, 75 per cent of the investments needed by 2030 to accommodate distributed energy resources and renewable

energy sources will have to be made at the DSO level. More specifically, the Joint Research Center (JRC) estimates in its 2011 Technology Map that between 2010 and 2020, 56 billion euros have to be injected in the power grid.

DSOs are key actors for the future European energy infrastructure and thus should be included as full-fledged members in the Regional Groups instead of being simply consulted.

Purely DSO-projects should be taken into account

Last year, the JRC published a report on the lessons learned and current developments of smart grids. The study references 219 smart grids projects, being or having been implemented in the European Union. An essential finding of the report is that distribution system operators take the lion's share of the research and development efforts: they run about 27 per cent of all projects and their investments represent 67 per cent of the total money spent on smart grids research and demonstration in the European Union.

Since DSOs are the biggest smart grids project promoters, the possibility to fund purely DSO-projects should be taken into account in the proposed regulation.

Funding criteria should take into account grid realities

To bring smart grids from vision to reality, a progressive deployment of new technologies is the only possibility as standards are slowly being drafted, and roll-out of new devices (like smart meters) need years to be completed. In regard of the current development of smart grids, the level of expectation shown in the text is very high. The proposal sets stringent criteria that could only be fulfilled by extremely large projects. For instance, requiring a project to impact 100,000 users and to take place in a consumption area of 300GW seems to be an excessive figure. There is currently no project of such scale in preparation in the EU, and it is unlikely that smart grids projects led by distribution system operators will be able to fulfil all the criteria set in Annex 4-1-e.

In order to make DSOs projects eligible for funding, EDSO for Smart Grids recommends halving the thresholds currently proposed.

Smart grids include *all* voltage levels

Smart Grids can help providing decarbonised electricity to European citizens by integrating a growing share of renewable energy sources and by helping consumers to better monitor their energy consumption. Rooftop panels, smart meters, charging stations for electric vehicles, are being deployed all over Europe. Solar photovoltaic power is a typical example. The global PV capacity has been increasing at an average annual growth rate of more than 40 per cent since the year 2000 and it has a significant potential for long-term growth over the next decades according to the Technology Roadmap of the International Energy Agency.

This new energy resource is directly connected to the distribution grid, therefore the scope of smart grids needs to be extended to low voltage networks, where most benefits can be reaped from its

deployment and where the highest numbers of consumers and small, privately owned power generation facilities are connected.

In this regard, EDSO for Smart Grids welcomes the proposed amendment included in the draft report presented to the ITRE committee on the 26 March and underlines how important it is to keep this modification in the final report.



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EDSO for Smart Grids is gathering leading Distribution System Operators, covering more than 70 percent of the EU points of electricity supply, and cooperating to bring Smart Grids from vision to reality.

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