

Position paper: *Smart meters, smart grids: new challenges for the distribution grids*

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Date: 25/4/2024

Febeliec supports the climate objectives of the Belgian authorities and strives to transpose these in the most efficient way into an effective reduction of greenhouse gas emissions. Smart meters and grids can play a role in this, but they also represent an important investment cost. A permanent monitoring and a detailed cost-profit analysis are therefore necessary in order to make the right policy choices. More specifically, Febeliec insists on the following issues:

1. As concerns smart meters, the industry has been investing for years in sophisticated appliances in order to monitor in the best way the consumption (and often production) on its sites, and if necessary to be able to command from a distance (*demand side management* or DSM). The extension of the use of smart meters to SME's and households offers the huge advantage that small and medium users can take part directly into the market and react rapidly to price signals. It is thus needed to evaluate this advantage in comparison with the cost of smart meters and the possible economies of greenhouse gases. This debate is still running amidst the regions, who are fundamentally in favour of the use of smart meters for all (or almost all) users. Febeliec thinks that prosumers, who can either take off or inject electricity into the grid, should be equipped with a smart meter in order to determine and calculate the exact price of their electricity (surcharges included) and the grid cost ;
2. The industry is in favor of using bidirectional grids that go along with new opportunities regarding production and storage; the industry is therefore in favor of developing smart grids, but also asks a thorough cost-benefit analysis;
3. Febeliec continues to support the basic principles of the electricity directive for tariffs (non-discrimination, transparency and cost reflectiveness) and hence accepts that the distribution sector charges costs to those who cause them. Febeliec asks however:
 - that these principles are applied in a consistent way to all grid users;
 - that the injection costs on the distribution grids are spread in an equal way about the several players;
 - that possible additional grid costs are taken into account when supporting some of the new energy technologies.