

# Smart Grids The Customer Perspective

Prepared by Linda Hull Operating Agent Task 23 April 2012

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Delivering Innovation in Power Engineering

# **Electricity Networks**

## • From this





# **Electricity Networks**

• To this





# **Drivers for change**

**Reducing CO<sub>2</sub> emissions** 

- Direct savings
  - peak load management
  - reduced losses
  - energy efficiency
- Enabled savings
  - integration of renewables
  - facilitation of new technologies (electric vehicles / heat pumps)



## Key Actions (IEA SmartGrid Road Map)

Who	What	
Generators	Increase utilisation of variable generation	
Transmission / Distribution	Demonstrations / business models	
Regulators / Government	Regulatory / market solutions	
Technology providers	Technology solutions / standards	
Customer Advocates	Engagement / awareness	
Environmental Groups	Support of smart grids	



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## **IEA DSM Implementing Agreement**

## New Task

 Task 23: The role of the demand side in delivering effective smart grids



- When
  - Very soon
- Who
  - **Confirmed:**
  - Korea
  - Norway
  - Sweden

## Hopefully joining:

- Belgium
- Netherlands
- UK



# Why?

- Millions of smart meters have been rolled out worldwide
  - 46 million in 2008
  - Forecast to reach 250 million by 2015(\*)
- Who pays for these meters?
  - The customers via energy bills
- What are the benefits to customers?
  - Or what is the alternative option?
- Can smart grid benefits be delivered without the support of customers?



# What do smart grids deliver for customers?

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Smart meters	Enabling third parties to 'spy' on customers	Providing information to be enable customer to better understand and manage their consumption
Time of Use Pricing	Need to pay more for electricity at time of peak demand	Provides opportunity to reduce overall electricity costs
Direct load control	No longer able to use appliances 'on demand'	Automatic processes to optimise use of home appliances
Smart appliances	Heating / air-conditioning that turns off when you don't want it to	Heating / cooling system that costs less to run without any discernible effect on comfort



## GridWise Olympic Peninsula Project, Washington, USA

#### **The Trial**

- 120 volunteer households
- Real time pricing
- Automated thermostats (hot water / heating / air-conditioning)

## **Results**

- Short-term peaks loads reduced by 50%
- Overall peak load reduced by 15%
- Electricity bills reduced by average of 10%





## Smart Meter and ToU rollout out, Victoria, Australia

## **Smart Meters**

- Mandated roll-out commenced 2009
  - Due to be completed 2013
  - Under review
    - Claim over 'flaws' in cost-benefit study



## DO NOT INSTALL SMART METER

I DECLINE TO HAVE A 'SMART METER' FITTED UNTIL AFTER THE STATE GOVERNMENT HAS COMPLETED THE 'SMART METER' REVIEW PROCESS.

THANK YOU.

## **Time of Use Pricing**

- Mandated for all customers with Smart Meters
  - Moratorium announced 2010
    - Concerns over impact on lowincome households / elderly



# What? (The scope of Task 23)







# **Example: Policy**

- Frequency response using domestic fridges/freezer the UK
- Annual savings
  - £0.70 to £5.60 per fridge
  - 17 to 44kg CO2 per fridge
- If scale this to all households (22 million in UK)
  - Savings are significant
- How to motivate customers to buy them?
  - Benefits to customer
    - Very small
- Mandate the technology in all new appliances?
  - not straightforward





## **Example: Tools**

What is the role of innovative tariffs in delivering • **Demand Response?** 



Rethinking Prices, The changing architecture of demand response in America A Faruqui, R Hledix, S Sergici



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#### NEW CAMPAIGN TO WARN OF ELECTRICAL FIRE RISK

The minister of community safety Fergus Ewing recently launched the new Fire Safety in the home TV advert at Maryhill Fire Station with Jim Donaldson representing the Tayside Fire Rescue community safety dept. Each week in Scotland two families suffer fires in their home due to a faulty washing machine or dishwasher while electrical problems with televisions cause a domestic fire every fortnight. The fire risks from cooking are well known and most often due to misuse of the equipment. But most involving other electrical goods are due to a fault with the appliance and a key message of the new campaign is to minimise risks by switching off the equipment when going to bed or leaving the house.



## **For further information**

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