



ENARD:- IEA Implementing Agreement on Electricity Networks Analysis, Research and Development Newsletter No 9 - November 2010

Annex I Workshop on “Markets & Regulation – Financing the Smart Grid”, held Madrid, Spain, September 2010

This, the latest in the series of ENARD’s highly topical Annex I Workshops, was hosted by Union Fenosa Distribution, in their Madrid Headquarters, Spain, over the one and a half days, Tuesday 28th and Wednesday 29th September 2010. The Workshop addressed the crucially important market and regulatory issues involved in the financing of the Smart Grid and, as such, picked up and followed on from previous discussion on this topic, at the Joint ENARD/IEA Grid Policy Workshop, held in Paris, April 2010 (and as reported in Newsletter No.8, May 2010). The participation in the Workshop reflected the interest and importance of the issues to be addressed, with 80 senior level delegates and speakers participating, drawn from 16 different countries.

The Workshop featured an opening address, provided by Mrs Blanca Losada Martin, Director of Electrical Network Management for Union Fenosa Distribution, followed by a Keynote Address, delivered by Commissioner John Norris, of the Federal Energy Regulatory Commission (FERC), USA. Commissioner Norris’s address, entitled “Smart Grid – Moving Forward at the Speed of Value”, highlighted the challenges to be faced in making the substantial investments required to realise the Smart Grids vision, against the backdrop of inherently cautious regulatory and utility operating regimes.



Mrs Blanca Losada Martin, Director of Electrical Network Management, Union Fenosa Distribution & Commissioner John Norris, Federal Energy Regulatory Commission.

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The Workshop then developed, via a series of further Sessions, addressing:-

- Opportunities and Challenges;
- Economic, Financing and Distribution Level Considerations;
- Market Considerations; and
- System Level Considerations.

A series of complementary Panel Sessions allowed for a comprehensive discussion and debate in relation to the issues raised, prior to the Workshop being brought to a conclusion by Stig Goethe, Chair of the ENARD Implementing Agreement.

The Workshop succeeded in developing a series of clear and consistent messages, for further consideration by the ENARD Executive Committee (ExCo) and Policy Makers, including the requirement for “Smart Policy” and “Smart Regulation”, the ample opportunities and clear need for innovation in technology, financing and management techniques, the need for effective customer engagement/communication mechanisms and the complementary requirement for a co-ordinated and effective educational programme, addressing all the key stakeholders in the Smart Grid value chain.

9th Executive Committee (ExCo) Meeting

The feedback from the Workshop was subsequently considered by the ENARD ExCo, at its follow-on 9th Meeting. This formed an important input to its wider discussions, in relation to the development of a new Strategic Plan, to cover ENARD’s proposed follow-on 5 year Term, as to be formally requested from the End Use Working Party (EUWP) and the Committee on Energy Research and Technology (CERT). Here, the potential for ENARD to contribute to the wider Smart Grid agenda, both under the auspices of the IEA Secretariat and beyond, was particularly noted. Other matters addressed by the ExCo included their voting to request an extension of ENARD’s present 5 year Term, through to 28th February 2012, the basis of a proposed Annex V, on demonstration projects and the receipt of the regular series of Operating Agent progress reports, for ENARD’s series of operational Annexes.

Membership and Participation

Fourteen countries are presently participating in the Implementing Agreement, as shown below.



The ExCo was very pleased to welcome observers from two non-member countries to its Madrid meeting, in anticipation of their consideration in relation to joining the Implementing Agreement, in due course.

Proposal for Annex V “Knowledge Exchange of International Demonstration Projects”

The basis of a new Annex, to address the structured collation, exchange and dissemination of knowledge on Smart Grid demonstration projects, on a truly international basis, was proposed by Agentschap NL (NL Agency), the Contracting Party for the Netherlands. It is intended that this new Annex will contribute to the rational debate in relation to the future implementation of Smart Grids, as part of the wider international Smart Grid agenda. A number of countries have expressed an initial degree of interest in the further development of Annex V. This is to be discussed further, at the 10th ExCo Meeting, March 2011, and in anticipation of an Annex definition Workshop, to take place October 2011.

Publication of Annex I Workshop Proceedings

The proceedings for the initial series of Annex I Workshops, held September 2006 to October 2009, have now been posted on the ENARD website (www.iea-enard.org), such that they are accessible to a full range of interested parties. The proceedings chronicle the series of structured presentations and focused dialogue achieved, in relation to the following Workshops:-

Workshop	Date
Distribution Systems and End User Aspects	Sept 2006
DG System Integration & New Business Models	March 2007
Managing an Ageing Infrastructure	May 2007
Economic, Regulatory and Market Issues Associated with the Integration of Variable Generation	June 2007
Transmission Systems	Sept 2007
Intelligent Distribution Networks, micro-Grids and Active Network Management	April 2008
Communications & Control	May 2009
Balancing the Variability in Renewable Electricity Supplies	Oct 2009

Ongoing Progress in Annexes II, III and IV

Annex II, addressing DG System Integration, held the last in its present series of Experts’ Meetings in Vienna, 4th November 2010, devoted to the dissemination of the outputs from the Annex. The meeting, attended by experts from seven countries, agreed on the dissemination material, produced by the Operating Agent, AIT, with this now to be made available to the National Experts, for use within their own countries.

Annex III, on Infrastructure Asset Management, concluded the first phase of its activities, in relation to Distribution Asset Management, November 2009. The option to start work on a specific overhead line related sub-Task, within the proposed second phase of Annex III, is to be reviewed, at the 10th ExCo Meeting, March 2011.

Annex IV continues to develop its range of activities, with experts from its 8 member countries gathering in Washington DC, May 2010, to exchange information and focus on the present stage of the work programme, in relation to the barriers to transmission systems development.

Associated Dialogue and Liaison

The ENARD ExCo has welcomed the opportunity to contribute to the developing dialogue, at the policy level, in relation to electricity networks in general and the development of the Smart Grid agenda, in particular. As such, it very much welcomed the release of the IEA’s Energy Technology Perspectives 2010 publication in July (ETP2010), with its extensive coverage of electricity network issues. The ExCo also welcomes the proposed development of the International Smart Grids Action Network (ISGAN), within the framework of IEA Implementing Agreements and, as such, is currently exploring the most appropriate options for engagement with this initiative. The ExCo anticipates the opportunity to further contribute to and support the IEA Secretariat’s work in relation to electricity network issues, including its specific considerations on Smart Grids.

ENARD is an International Energy Agency (IEA) Implementing Agreement which provides an international forum for information exchange, research, analysis and collaborative research and development across a range of electricity transmission and distribution (T&D) network issues. Its vision is to facilitate the uptake of new operating procedures, architectures, methodologies and technologies in electricity T&D networks, such as to enhance their overall performance in relation to the developing challenges of network renewal, renewables integration and network resilience.

10th ExCo Meeting, Phoenix, AZ, March 2011

The 10th ENARD ExCo Meeting is to be held in Phoenix, AZ, March 2011, where the ExCo will address the further development of the Implementing Agreement, both in the extension of its present Term and in its proposed new 5 year Term.

Further information

Further information on ENARD, including participation in the Implementing Agreement and its activities, may be obtained from the ENARD website, at www.iea-enard.org or from the ENARD Secretariat at EA Technology:-

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ENARD, also known as the IEA Implementing Agreement on Electricity Networks Analysis, Research and Development, functions within a framework created by the International Energy Agency (IEA). The views, findings and publications of ENARD do not necessarily represent the views or policies of the IEA Secretariat or of all its individual member countries.