



Industrial Policy for Smart Grids

**Learning from Lighthouse projects and
paving the way for deployment**

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*Approaching Smart Grids from
the perspective of
competitiveness of the EU
engineering industries*



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How can smart grids benefit the EU engineering sector in terms of growth and jobs?



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Speed up deployment

Attract investment

*Improve policy to complement the
above*



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*How
specifically?*



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- 1. Identify what seems to be working and what is not, i.e. the 'Goods' and 'Bads'*
- 2. Use the Goods to encourage further investment in these areas*
- 3. Identify what policy is necessary to encourage more of the Goods and less of the Bads*



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Step 1: Identifying the Goods and Bads

Study on Smart Grids Lighthouse Projects

Study on Smart Grids barriers to deployment and opportunities

Follow up measures to make the most of the results



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Study on Smart Grids Lighthouse Projects (est. December 2016)

100 Smart grid low-voltage Lighthouse projects currently in operation in the EU (chosen from JRC database)

What makes these projects attractive to investors

Stimulate investment in Smart Grids in the EU



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Criteria for project selection

- i. uniqueness (first of its kind)
- ii. potential for creating new or transforming existing markets
- iii. synergies with other utilities, telecoms and municipalities
- iv. nature of social, economic and/or environmental benefits to end consumers



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Study on Smart Grid barriers to deployment and opportunities (est. April 2017)

Identify obstacles to deployment (economic, legal, socio-cultural)

Identify opportunities in SG - besides the area of Smart Metering - where demand response may be improved

Help steer investment towards these areas



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Steering Committee

The JRC, DG ENER, DG GROW and EASME

*Providing expertise on different aspects of Smart
Grids*

*Ensuring that the contractors deliver and deliver
well*



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Initial Key Findings



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High potential for smart grid technologies and applications all around the globe

- Large market potential as alternatives are needed for power system planning and Operation
- Disruptive impact of smart grid technologies on the power system: new business models needed
- Higher level of engagement of active prosumers



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Exploit synergies with ICT industry

- Energy grids can learn from best practices in internet networks for **harnessing cybersecurity**
- Increased cooperation between the roll-out of broadband networks and smart grids will induce **cost savings**



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CHALLENGES AND OPPORTUNITIES



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Smart grid activities outside Europe put non-EU regions as a potential for export

- High level of activity is also observed outside mature markets
- Competitiveness of non-EU countries in ICT markets is a threat



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Fragmented regulatory framework

- National based legal and regulatory framework prevents European companies from economies of scale
- But non-EU countries are taking initiatives permitting incumbent actors to upscale



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Step 2. Use the Goods to encourage further investment in these areas

The final reports of both studies will be published and made available online.

Follow-up measures to be decided, such as e.g. a conference to present and discuss the results.

Consultation with industry stakeholders for their input.



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Step 3. Policy to promote Goods and reduce Bads

Both studies will feed into DG GROWTH's industrial policy making mechanism

From findings into concrete measures to improve the competitiveness of the EU engineering industries

Industry stakeholders will be involved in this process



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http://ec.europa.eu/growth/sectors/mechanical-engineering/index_en.htm



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*Thank you for your
attention 😊*