

Host Utilities



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ORGANIZER



India SMART UTILITY Week 2024

Supporting Ministries



Session : 1ST INDIA - BRAZIL SMART ENERGY WORKSHOP

Inaugural Session

Presented By

Cyro Vicente Boccuzzi, President - ECOee & L.A. Smart Grid Forum



The Latin American Smart Grid Forum



India
SMART UTILITY
Week 2024

ISGF
India Smart Grid Forum

- Pioneering initiative in 2008.
- Open, periodic and systematic exchange of information and policy formulation - focus on articulation and synthesis.
- Collaboration with other similar initiatives in the world.
- Neutral, independent and inclusive (non-exclusive) vehicle to engage the widest possible array of stakeholders in the debates.
- It defends sustainable modernization considering the technical, economic, environmental, political, legal and social aspects.
- Business-oriented perspective from technological modernization and innovations
- More focus on the next steps than on previous achievements
- No easy answers or magic solution: the Forum commits to raise and debate the fundamental basic questions for the next building blocks to move forward in the LA region



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BARRIERS FOR SG PROGRESS IN BRAZIL

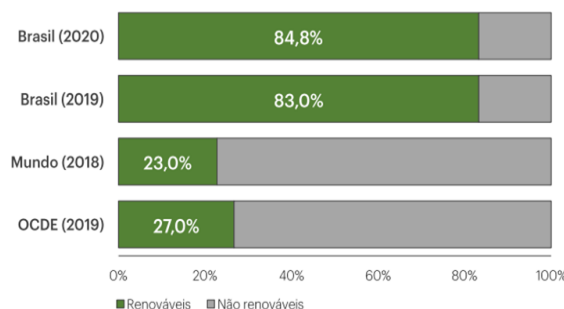
Sophism 1: "Who's going to pay the bill?"



The Brazilian consumer is already paying the bill in the "periodic rescues" and in recurring and heavy subsidies already charged in the current tariffs, in the tariff flags... This without leaving any legacy to society to better cope with the future crises that will surely occur. The "rescues" would have been enough for more than 5 complete implementations of Smart Grids in Brazil or 10 changes of the measurement park!!

Source: Extracted from a joint article with Humberto Barbato, President of ABINEE, published in the newspaper Valor Econômico on 11/10/2021

Sophism 2: "Brazil already has the most renewable electricity matrix in the world and therefore does not have to worry about decarbonization"



So it would not be necessary or urgent to invest in smart grids in Brazil!

However, our water base is affected by climate change and the expansion of generation is being done mainly through variable renewables, further increasing the demand for flexibility and integration services, such as demand-side management.

Sophism 3: "Society wants tariff modicity and therefore the regulator must act continuously and directly in this sense."



Citizens and consumers want choices, transparency and solutions that are predictable and economically sustainable. Not only modicity in the short term, deferring costs and compromising future increases, but mainly in the medium and long term. Society wants to be able to choose alternatives that best meet its needs.

The recent advance of solar energy, whether individual or shared, is due to the lack of product options and sustainability of tariffs and prices offered by distributors, without smart meters.

Crossing the Chasm



Technology is always advancing faster than regulation.

ANEEL is attentive and sensitive but fears impacts on the tariffs already pressured by subsidies. The Agency authored tariff sandboxes before the regulation of new tariffs. It will be necessary, however, to act in parallel, because society has been digitizing activities and services, with the growing installation of smart devices: there is already a "gap" that has been accentuating between the technologies adopted by customers and companies.



In the street lighting market, for example, a transformation in this direction is taking place. Most of the Public-Private Partnerships - PPPs have provided for the obligation that photocells be tele measured. Here in Brazil this is already widely implemented, with systems operating in the cloud, by narrow-band communication technology, at costs of less than R \$ 0.50 / month per equipment, that is, lower than a reading per reader currently costs for distributors. It is, therefore, a technologically feasible implementation and at competitive costs, if there is technological and regulatory command in this sense.

BRAZIL IS WORKING WITH INDIA UNDER A COLLABORATION PROGRAM TO MAKE PPPs HAPPEN EVEN ON LESS ATTRACTIVE MUNICIPALITIES

Required Regulatory Evolution for Modernization



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Offering options to customers in a competitive market by enabling new smart tariff options with connected smart metering availability supported by cloud systems. ANEEL has opened the possibility of adopting **tariff sandboxes by concessionaires**, which will only now begin to be explored.



Consideration of intra-tariff cycles investments. Today investments are only recognized and incorporated into tariffs at each periodic tariff review, every 4 or 5 years. The current model encourages companies to focus significant investments only in the year immediately preceding recognition, and this prevents more significant incremental deployments that are more continuous, progressive, fluid, and at significantly lower costs.



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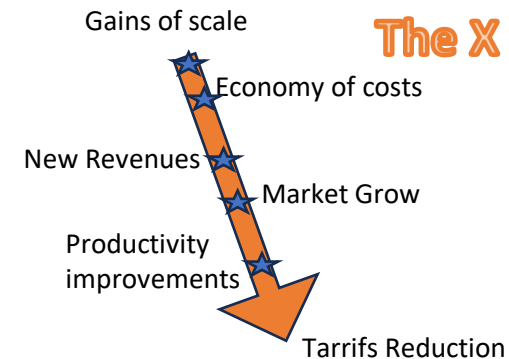
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Ensure returns and reduce the risk of initial investments in new technologies. Deferral of capturing cost reductions through economies of scale and new revenues from new services in the implementation of new technologies that provide these cost reductions.



Necessary improvements in considering the useful life of electronic equipment, adapting its depreciation to economic reality and real useful life.



Recognize SAS expenses – “software as a service” in regulatory balance sheets, since this is the current market reality in all industries that advance digitalization at scale, and the only way to provide agility and affordability in modernization.





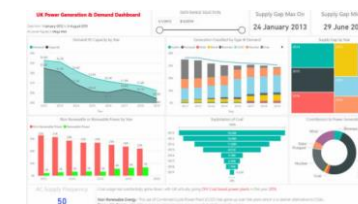
A major technological transformation of the energy sector is taking place, which is inevitable, rapid and silent;

In all the countries of the world this transition was led by government policies, but in Brazil the sophisms presented prevented its advance. The issue needs to enter the modernization agenda of the Brazilian government;



In Brazil, due to the lack of a consistent electricity energy policy for transformation, change comes predominantly from consumers to companies and will be impossible to be accompanied by an orchestration ordered from the top down;

On the contrary, for biofuels, the Brazilian Government has been providing consistent public policies since the 79s and 80s of last century, having fructified a very large competence and industry in the area, that trends to grow faster and pave fast competitive advance with the new biofuels industry development.



THANK YOU

*For discussions/suggestions/queries email: isuw@isuw.in
[visit: www.isuw.in](http://www.isuw.in)*

Cyro Vicente Boccuzzi

cyro.boccuzzi@ecoe.com.br

cyro.boccuzzi@smartgrid.com.br

www.ecoe.com.br

www.smartgrid.com.br/eng

[+55 11 99931-1002](tel:+5511999311002)