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# **IBM SMARTCITIES FORUM**

## **Malta's case for a smart energy grid transformation**

**Pierre Carabott**

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Location : 100km SW of Sicily

Size : 316 Square Kilometers

Population : 420,000 – Smallest EU Member State



**Malta**



## Malta: facts and statistics

- Ranking 23<sup>rd</sup> worldwide, **Malta is among the e-readiness Rapid Adapters**
- Malta's legal environment (15<sup>th</sup> worldwide) and government policy & vision (17<sup>th</sup> worldwide) are Malta's biggest strengths
- Malta marked most improvements in connectivity & technology infrastructure (up 0.85) compared to last year
- No natural resources or economies of scale however significant **economies of knowledge**



# Current Water & Energy Network

- Isolated System
- Lack of communication over network
- Billing Meters mostly Electromechanical
- Prone to failure and blackouts; and
- Very few customer choices and limited price information



# Vision: Utility Transformation

- Setting up an integrated infrastructure and robust back end systems
- Transforming meter to cash process
- Install best practices – CRM / Billing / ERP
- Looking for synergies and increase in efficiencies



# Project Deliverables

## Process Improvements

- Reduction of time from service request to cash collection
- Reduction of time from meter reading to billing
- Elimination of estimated bills

## Financial/Cost Improvements

- Reduction in both water and electricity non-technical losses



# Project Deliverables

## Service Improvements

- One stop shop approach within industry benchmarked service levels
- Consumer empowerment through targeted information and better access; and
- Improved billing services through elimination of estimates, prepayment options and on-line interactive billing support

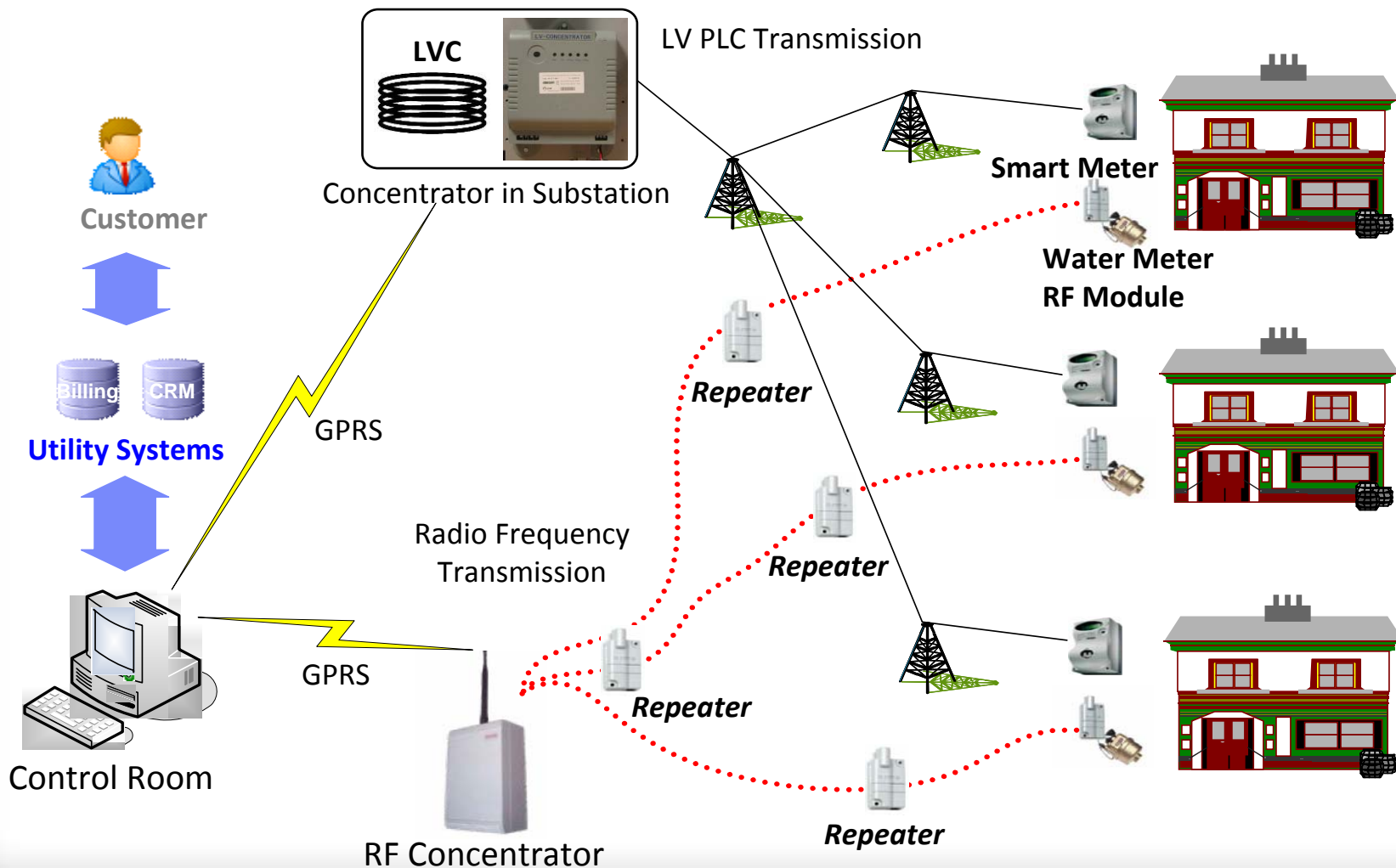


# Role of IBM

- Providing an end-to-end **transformation** through the provision of:
  - ✓ All new Meter devices, together with technology expert support
  - ✓ IT Software and hardware – implementation, support and maintenance
  - ✓ Business and Process analysis and design consultancy
  - ✓ Programme and project management and support
  - ✓ Global knowledge and best practice in Utility business
  - ✓ User training



# Setting up the Infrastructure





# Ingredients of our Transformation



**Technology** – investment in the management of the grid



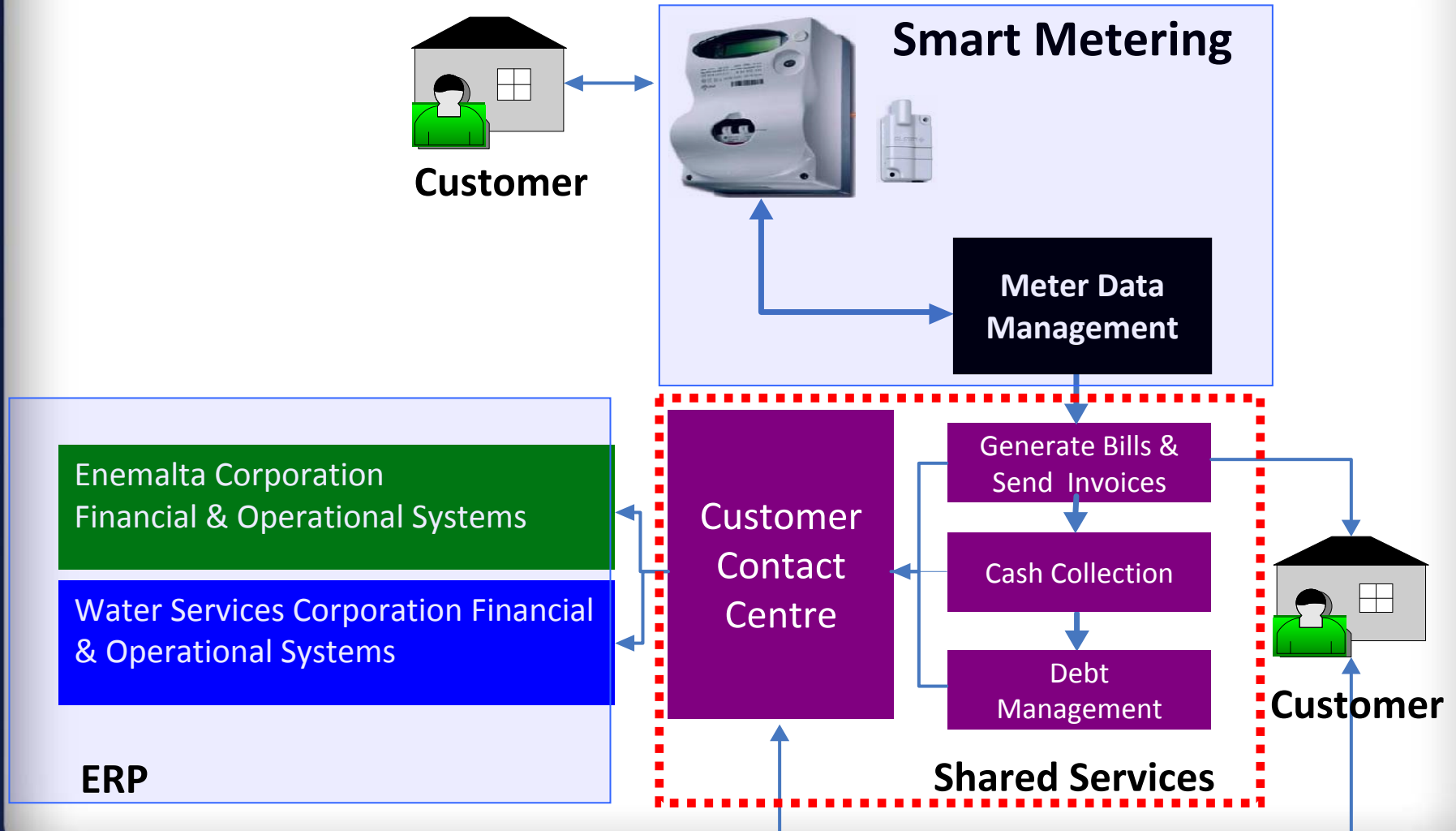
**Customer Empowerment** – investment in the utility-customer relationship



**Environment Responsibility** – meeting international commitments while investing in environmental sustainability



# Utility Synergy – Shared Services





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# Consolidated Shared Services into ARMS



Meter Reading

Billing

Credit Control & Cash  
Collections

Customer Care & Call  
Centre

Efficiencies driven by  
Smart Metering



Meter To Cash

Customer Contact Centre



Other Billing Specific to  
Enemalta

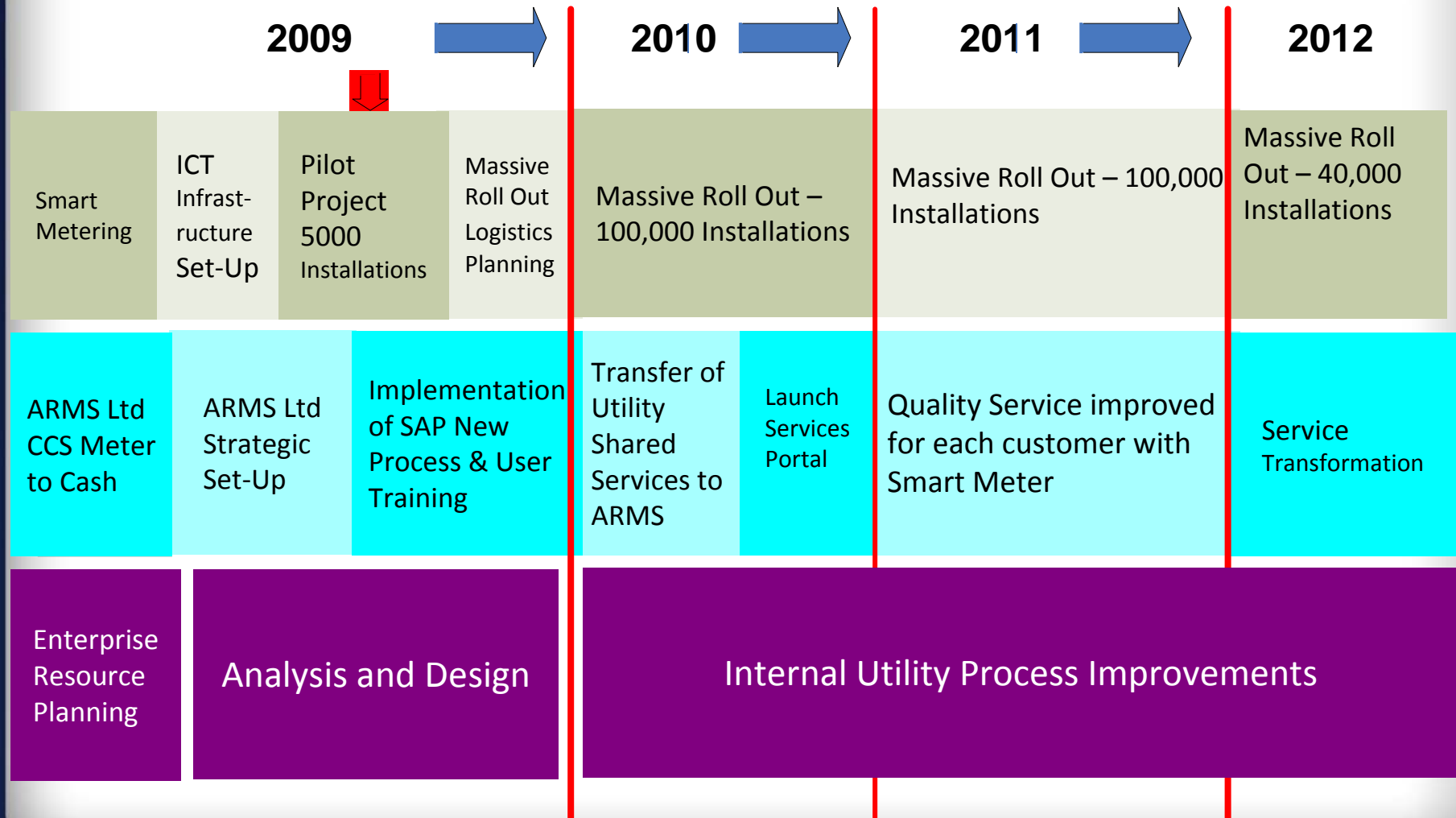
Credit Control

Customer Care

Service Improvements  
driven by Consolidation



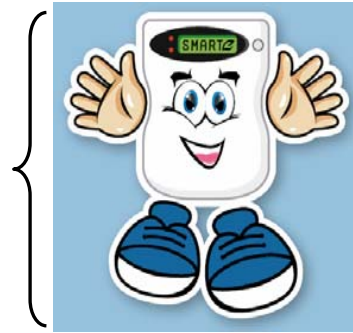
# Implementation Road Map





# Summing up the collective benefits

- ✓ Decreased cost of meters mgt
- ✓ Improved demand side management from a better knowledge of load profiles
- ✓ Improved service level
- ✓ The billing performed on real readings, not estimates
- ✓ Flexible tariff structure
- ✓ Flexibility of billing periods
- ✓ Possibility of consumption optimization
- ✓ A higher yield in energy distribution means less pollution for the same economic benefit
- ✓ Reduced pollution due to better power plant utilisation



- ✓ Smart Grid is the driver for organisational change
- ✓ Integrated systems and control are the drivers of organisational transformation
- ✓ Consumption information provided to customers
- ✓ Customers enabled to manage their own usage
- ✓ Establish Energy efficiency programmes for customers, ex. encourage off-peak usage
- ✓ Renewable programmes

# MALTA the 1<sup>st</sup> Smart Grid Nation



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**Thank you for listening**