

States Weigh Benefits Of Utility Smart Meters

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HARTFORD, Conn. (AP) — The cost of using an air conditioner — whether it runs during the peak time for electrical usage or during off-peak hours — is still the same for many electricity users across the country. The same goes for using a clothes dryer.

Many utilities and state energy officials, some armed with federal stimulus money, think that should change and are advocating so-called "smart meter" technology in a growing number of states.

But opponents question whether the cost — from about \$250 to \$500, including installation charges — justifies a customer's savings, reported by homeowners to range from negligible to hundreds of dollars a year.

Proponents say the smart meters could alert utilities of outages, like the massive loss of electricity in Connecticut during the recent October snowstorm. And, they say it can help consumers take advantage of time-of-use rates and new "smart appliances" programmed to run when electric rates are lower, so they can better manage their power usage. And by shaving electricity demand during peak times, they say, utilities and consumers would ultimately see savings because of the reduced need for generating additional power, especially on steamy hot days.

"If you want to dry a pair of blue jeans at 5 o'clock on a summer night ... you should pay more for it. It shouldn't cost the same as doing it at four in the morning," said Jonathan Schrag, Connecticut's new deputy commissioner for energy. "And doing it at four in the morning should be basically free because there's plenty of electricity getting kicked out of power plants in the middle of the night."

But changing the usage habits of consumers is more complicated — and more controversial — than just flipping a switch, or swapping out their old analog electric meters with the spinning dials for new digital models, which send electricity consumption data usage to the utility electronically.

Some consumers, especially in California where Pacific Gas and Electric began installing smart meters in 2007, claimed they saw their bills skyrocket with the advent of the devices. Others contend they haven't seen much of a difference in their bills

"I'm not so sure at the end of the day it saves the consumer anything," said Michael Louis Kelly, an attorney representing plaintiffs in a lawsuit against PG&E. He said hundreds have come forward to report how their bills doubled or even quadrupled after new meters were installed.

PG&E has said an independent study determined the meters were accurate.

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Other concerns have been raised about the meters' possible negative health effects and the intrusion of privacy, prompting some homeowners to try and stop their old meters from being switched.

Kelly said there has been lots of resistance.

Aware of the controversies, some state energy officials across the country are cautiously taking a close look at whether it makes sense to allow residents and businesses to take advantage of the technology.

Recently, the Nevada Public Utilities Commission began investigating meters installed in more than 500,000 Las Vegas homes. Regulators had received complaints about possible health problems and privacy concerns.

Privacy concerns have been voiced in Vermont, where opponents fear the power usage data can be sold to companies seeking consumer information.

In Maine, after receiving numerous complaints about health and privacy concerns with the wireless, digital devices, the state's Public Utility Commission voted in May to allow customers to opt out of the meters, at a cost of \$12 a month.

New Hampshire Electric Cooperative has installed about 16,000 meters and will install all 83,000 by the end of 2012. Spokesman Seth Wheeler says the cooperative expects to save \$1 million a year in meter readers, trucks and fuel used to read meters.

Connecticut is one of the latest states to consider smart metering. Regulators recently shot down a request by the state's largest utility, Connecticut Light & Power, to install 1.2 million of the devices, arguing that the potential savings in electric bills doesn't justify the cost. CL&P already offers its customers time-based rates.

"CL&P's proposal would force the company's ratepayers to spend at least \$500 million on new meters that are likely to provide few benefits in return," Attorney General George Jepsen said.

But Connecticut's new energy commissioner asked regulators to hold off while his agency prepares a new statewide meter policy, expected to be ready early next year.

State officials are waiting for revised standards for smart meters from the National Institute for Standards and Technology (NIST), charged by Congress in 2007 to lay out a policy for modernizing the nation's electric grid. Those standards are due around December.

Jepsen estimated it would cost each of CL&P's 1.2 million customers roughly \$411 per meter. In a legal filing, he cited company estimates that residential customers would save just over \$11 over a 20-year period.

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The devices are seen as potential money-savers for the utilities, however, which would no longer need to send meter readers to residences and businesses to manually check electricity usage. A CL&P spokesman said they would have been helpful during the recent freak snowstorm that knocked out power to more than 830,000 because the company has to rely on customers to call and report an outage.

About 35 percent of the 140 million U.S. homes and businesses are already using smart-metering or are in the process of getting the devices, said Eric Dresselhuys, executive vice president and chief marketing officer of Silver Spring Networks, a Redwood City, Calif.-based company that sells so-called smart grid technology and services to utilities.

Ruth Diorio of Houston is a customer of Centerpoint Energy. She has a smart meter and an in-home display allowing her to keep an eye on power usage — from the 5 cents an hour it takes to run her nightlight to the 50 cents an hour to run her air conditioning. In eight months, she said she saved \$500 by turning off lights and devices, and raising her air conditioner thermostat. She doesn't have time-of-use rates.

"Five hundred dollars, to us, is a lot of money. ... It's worth dinners out with the family, that extra pair of shoes," she said.

Opponents include a California group that claims the smart meters are inaccurate, overcharge consumers and pose serious health and privacy concerns. Similar groups have been created in other states, including in Arizona, Maine and Illinois.

Joshua Hart, director of Stop Smart Meters, based in Scotts Valley, Calif., said the devices emit radio-frequency microwave radiation similar to a cell phone and have not been proven to be safe. He said some people claim effects ranging from headaches to cancers, with little recourse because they can't turn off the radio frequency.

PG&E, which now allows customers to delay the meter installations, cites a study showing the radio frequency falls well below the federal threshold. The utility says there's no evidence additional standards are needed.

Hart has chained the old, analog electric meter on his house to prevent it from being replaced. He is urging Connecticut and other officials to stop the meters.

"I would tell Connecticut state energy officials, if they consider the public's health and safety to be a priority, that they impose an immediate moratorium on any installation of smart meter or smart grid technology, pending a full investigation into widespread reports of damage to health and risk to safety and property," Hart said.

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