

**STATE OF MARYLAND
OFFICE OF PEOPLE'S COUNSEL**

Paula M. Carmody, People's Counsel

6 St. Paul Street, Suite 2102
Baltimore, Maryland 21202
410-767-8150; 800-207-4055
www.opc.state.md.us

BILL NO.: House Bill 878
Smart Meters—Opt –Out Option

COMMITTEE: Economic Matters

HEARING DATE: March 15, 2012

SPONSOR: Delegates Glass and Boteler

POSITION: Informational

House Bill 878 would allow a mechanism for electric utility customers and landlords to opt-out of installation of smart meters. The Bill also provides for new owners of properties to request removal of previously installed smart meters. Finally, the Bill allows for a customer who had refused a smart meter to change his or her mind at a later date.

There are a number of implications and practical issues that may arise if some customers are allowed to opt-out of smart meter installation. Recognizing this, the Public Service Commission (PSC) recently issued a Notice of Hearing and Request for Comment in Case Nos. 9207 and 9208 (the cases involving smart meters for PEPCo, Delmarva and BGE). The Commission has approved

deployment of smart meters for both PEPCo and BGE, and the Companies have begun the process of installing those meters.

In its Notice, the Commission preliminarily identified eight issues that need to be considered. For the Committee's convenience, a copy of the PSC Notice is attached. The PSC has indicated that it will consider as part of its proceeding the same issues addressed by House Bill 878.¹ Written Comments are due on April 6 and April 27, 2012 and the PSC intends to hold a hearing on May 22, 2012. The Office of People's Counsel intends to file comments and to participate in that hearing.

¹ See Item H on the PSC Issues list.

COMMISSIONERS

DOUGLAS R. M. NAZARIAN
CHAIRMAN

HAROLD D. WILLIAMS
LAWRENCE BRENNER
KELLY SPEAKES-BACKMAN
W. KEVIN HUGHES

STATE OF MARYLAND



PUBLIC SERVICE COMMISSION

February 29, 2012

In the matter of Potomac Electric Power
Company and Delmarva Power and Light
Company Request for the Deployment of
Advanced Meter Infrastructure

*

Case No. 9207

*

*

In the Matter of Baltimore Gas and Electric
Company for Authorization to Deploy a
Smart Grid Initiative and to Establish a
Surcharge Mechanism for the Recovery of
Cost.

*

Case No. 9208

*

** *** **

**NOTICE OF HEARING AND OPPORTUNITY TO COMMENT
ON AN "OPT-OUT" OPTION FOR SMART METERS**

The Maryland Public Service Commission ("Commission") has carefully reviewed the activities in other states regarding offering utility customers the opportunity to opt-out of receiving a so-called "smart meter." The Commission also has received correspondence from some ratepayers expressing concerns about health and/or privacy issues associated with smart meters. The Commission therefore has determined to conduct a legislative-style hearing in the above-captioned matters on Tuesday, May 22, 2012 to address whether to require the subject utilities to offer customers an opportunity to opt out of receiving a smart meter should they so choose. The Hearing will begin at 10:00 a.m. and be held in the Commission's 16th Floor Hearing Room, William Donald Schaefer Tower, 6 St. Paul Street, Baltimore, Maryland 21202. Specifically, the purpose of the hearing is for the Commission to consider issues relevant to or associated with providing customers with an opt-out option as well as the appropriate structure for any such "opt-out" requirement should the Commission determine the option to be in the public interest. These issues include, but are not necessarily limited to:

- a. The effect of such an option on the overall smart meter project's costs and benefits, including the effect on energy savings, outage detection, and management and incremental costs;

- b. How such an option might affect the current schedule for installing the smart meters;
- c. Whether such an option will affect the types, components and/or configuration of the meters available to customers who choose to opt out of a smart meter; for example, whether an opt-out option would be limited to not enabling some or all of the communications capability of a smart meter.
- d. The effect such an option might have upon future meter reading;
- e. The effect such an option might have upon the communication of data between the utility and customers;
- f. The effect such an option might have upon the utility's future billing practices;
- g. The effect such an option might have upon the utility's electric tariff rate structures as well as any energy programs; and
- h. The structure of any "opt-out" program, including the effect on customer education, the means by which customers might opt out, the means by which customers might re-enroll, how such an option would be administered to new customers within the utility's service area, and any charges that should be imposed on customers who choose to opt out.

The Commission requests that all parties who wish to submit written comments on these issues shall file such comments by April 6, 2012. Reply comments shall be filed by April 27, 2012. An original and 17 two-sided paper copies, and one electronic copy, of the comments pursuant to this Notice shall be submitted to: David J. Collins, Executive Secretary, Maryland Public Service Commission, William Donald Schaefer Tower, 6 St. Paul Street, 16th Floor, Baltimore, Maryland 21202. Five of the paper copies shall be three-hole punched. The electronic copy may be filed via the "e-file" system that is available at the Commission's website, www.psc.state.md.us.

By Direction of the Commission,

/s/ David J. Collins

David J. Collins
Executive Secretary

cc: Service Lists for Case Nos. 9207 and 9208