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BILL NO: House Bill 516-Smart Meters-Customer Rights and Required Reports

COMMITTEE: Economic Matters

HEARING DATE: March 26, 2015

SPONSORS: Delegates Glass et al.

POSITION: Informational

House Bill 516 requires an electric company to give written notice of the deployment of “smart meters” to each customer in the affected portion of its service territory. The notice must state that the customer has an opportunity to refuse the installation of a smart meter at no cost to the customer. A customer may require at any time that the electric company exchange a smart meter for an analog meter. An electric company may not charge a customer for refusing to have a smart meter installed or for requesting that the smart meter be removed in favor of an “analog” meter. The Bill also requires two studies: one from the Public Service Commission (PSC) on any savings as a result of smart meters and on breaches to a utility’s cybersecurity and another jointly from the PSC and the Department of Health and Mental Hygiene (DHMH) on health effects of smart meters.

In Case Nos. 9207 and 9208, the Maryland Public Service Commission examined the need for and costs and benefits involved with installing smart meters. As a result of orders issued in those cases, installation of smart meters has been continuing throughout the service territories

of Baltimore Gas and Electric Company, Potomac Electric Power Company and Delmarva Power and Light Company. Southern Maryland Electric Cooperative is also installing smart meters in at least part of its service territory. Due to concerns about health and privacy raised by some customers, the Commission has issued orders allowing customers to “opt-out” of meter installation. Customers who opt-out are charged a one-time fee of \$75 and a monthly charge which varies by utility.

OPC notes that House Bill 516 refers to an “analog meter” as a substitute for a smart meter. Analog meters are not defined in the bill, but frequently are understood to be “non-digital.” This reference to analog meters may have an unintended consequence, as OPC understands that utility meters include both analog and digital meters that lack 2-way communication capability. Additionally, OPC has learned from utilities and other sources that availability of analog meters is shrinking as manufacturers have shifted to newer generation meters.

The studies required by the Bill may provide important information. At this time, OPC has no information regarding the expense of performing the studies other than what has been indicated in the Fiscal Note.