



## State of the State Address Fact Sheet: **Smart Metering Initiative**

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*“Keeping costs down also means keeping energy costs down...Technology will help us on both the supply and the demand side. We have the know-how, for example, to reduce costs for homeowners who run appliances at off-peak times, which is called ‘smart metering’... As we create and conserve energy, New Yorkers can save money.”*

-Governor Eliot Spitzer (January 9, 2008)

### **The Challenge**

- Smart electricity meters offer tremendous promise for enabling building and homeowners and utilities to track energy use by time of day and even by appliance-type. The promise is that if time of use pricing for electricity was allowed, rather than average pricing, customers could control their energy use, reducing energy demand and their own energy bill in the process.
- Currently, buildings and houses use old-style utility meters which track total energy use but do not provide information on actual use by time of day, giving the resident or business no understanding of when it is most expensive to consume electricity.
- There are approximately 10 million electric meters in service today in New York State. Most electric customers receive monthly bills based upon average monthly prices and monthly meter readings. With Smart Metering, each customer can be billed based on their actual use in each hourly or daily interval. The customer can therefore independently determine the best time to use electricity, based on price.
- Energy prices often spike during periods of peak demand. If enough customers would reduce their energy consumption during peak demand, they could lower energy prices for all customers. Reducing peak demand also reduces the need for peaking power generation, and reduces air pollution. The antiquated meters in use today do not give customers the information they need to change energy use patterns and reduce peak demand.
- Adoption of the Smart Metering technologies in the market today is limited to installation of interval meters in support of time-sensitive hourly rates for the State’s largest commercial and industrial customers.

### **Our Approach**

- As part of the Governor’s “15x15” initiative, new technologies, including Smart Meters, should be considered to empower customers with information that will help them conserve energy and use energy more efficiently. Several pilot programs and research and development efforts have been completed by the New York State Energy Research and Development Authority to help support the Public Service Commission’s efforts.

- The PSC has already directed electric utilities to file comprehensive plans for the development and deployment of advanced metering systems, where feasible and cost effective, for the benefit of all customers. These plans are under review. Four of the six investor-owned utilities filed Smart Metering proposals calling for replacing 6.67 million meters at an average installed cost of \$158 per meter. The PSC is considering the minimum features and functions of a general Smart Metering program. The PSC has directed certain utilities to develop pilot programs, and in the next several months will decide whether other utilities should fully deploy Smart Meters in their service territories.
- The initiative would provide several benefits, including reducing peak demand induced by critical peak pricing programs, cost savings from elimination of manual meter reading, and immediate detection and communication of outages at customer premises.