



## Pacific Power Smart Meter FACT SHEET



### Pacific Power meter upgrade

Pacific Power has been upgrading the digital meters that securely broadcast usage back to the utility. The upgrade aims to improve reliability and reduce costs for customers.

More than 70 million homes nationwide use digital electric meters to communicate directly with their utility. Idaho Power, PGE, and several electric co-ops in Oregon have already upgraded their meters.

### The PUC role

The Oregon Public Utility Commission (PUC) ensures Oregon utility customers have access to safe, reliable, and high quality utility services at just and reasonable rates. As the state agency charged with representing customers of regulated utilities, we take safety and cost seriously. We have encouraged public and stakeholder involvement throughout the multi-year meter upgrade decision-making process.

### Oversight of the upgrade decision — A timeline

- ♦ 2008—PUC authorized the deployment of smart meters for PGE, the first in Oregon, through annual “Smart Grid” reports.
- ♦ 2012—PUC adopted policy goals that fostered utility investment in upgraded meters that are cost-effective, safe, and enhance the reliability and security of the grid.
- ♦ 2016—Pacific Power established their meter upgrade would improve reliability and reduce costs for customers. PUC carefully evaluated the proposed costs and benefits and approved the upgrade project in late 2016.
- ♦ March 2017—PUC required Pacific Power to improve planned customer communication and conduct a careful ongoing accounting to ensure customers were not overcharged if they chose manually read meters rather than the standard meter.<sup>1</sup>
- ♦ February 2, 2018—PUC reviewed Pacific Power’s meter upgrade plan.
- ♦ August 14, 2018—PUC approved Pacific Power’s request to suspend the one-time \$137 meter installation fee to minimize costs for opt-out customers. PUC reminded Pacific Power that after the upgrade, it must reevaluate the actual costs incurred by customers choosing to opt-out in order to adjust the \$36 charge.
- ♦ November 6, 2018 — PUC continued public oversight by having Pacific Power respond to questions submitted by customers. Details from this meeting and responses to the questions are available online.
- ♦ March 8, 2019 —Commissioners approved to decrease the number of meter reads to three annually, reducing the monthly meter reading fee to \$9. Opt-out customers must register for Pacific Power’s Equal Payment Plan to take advantage of this reduced rate.
- ♦ December 3, 2019 — Commissioners approved to reduce the meter reading fee for opt-out customers from \$36 to \$10 each month and directed Pacific Power to reduce the cost for triannual meter reading customers from \$9 to \$3 each month.



## Pacific Power Smart Meter Common Questions



### Why do I have to pay to opt-out of an upgraded meter?

Choosing a manually read meter impacts the costs and reliability that your neighbors experience. The utility's ability to proactively identify outages or isolate faults is reduced with each opt-out. Still, the PUC strives to make choices available and to accurately capture the cost of those decisions so that utility services remain affordable for all customers. Standard customers are insulated from the cost of customers who want a more expensive, optional service, whether that is keeping an old technology or implementing an expensive, new technology such as micro-grids. Some states have resolved this tension by simply eliminating any broadcasting meter opt-out option. The PUC has made the opt-out choice available in a way that is fair to customers who select the standard, least-cost service.

### I read on the internet that digital or broadcasting meters track the appliances I'm using. Is my data safe?

Upgraded meters have the capability, if configured to do so, to interact with devices like Nest thermostats, sometimes called demand response. That can be very good for managing the overall cost of the system for everyone. Pacific Power's current meter upgrade is not configured to do this. Pacific Power is not tracking any information on the customer side of the meter. Portland General Electric is exploring a demand response program but the PUC requires that it be an opt-in program only. Customers are not compelled to participate but can earn rebates or credits because they are helping to keep costs for everyone low.

The electricity usage data collected by all of the utilities is protected by their policies, Commission orders, State statute and federal law. The utilities are not permitted to sell that data.

Commentators on the internet suggest these meters are an infringement of the 4<sup>th</sup> Amendment of

the U.S. Constitution. No court has agreed with this argument. The 4<sup>th</sup> Amendment importantly prohibits government from forcibly invading privacy. As a private company Pacific Power is under the laws of criminal or civil trespass instead. More importantly, customers are not compelled to use PacifiCorp's services. Finally, because PacifiCorp is regulated by the Oregon PUC, customers have far more input on their terms of service, such as the standards for meter equipment, than they typically would for a private company, via the PUC's public processes and oversight.

### States are outlawing smart meters – why has Oregon done this?

No state has outlawed broadcasting meters. Some regulators have required that the utilities scale back upgrade plans to demonstrate there is a benefit to customers that outweighs the cost. That is the job of the utility regulator and the Oregon PUC takes it very seriously. The PUC and Pacific Power considered this upgrade for years before the benefits to customers clearly outweighed the costs. When Pacific Power next updates rates, Oregon's consumer advocate, The Citizen's Utility Board, and the PUC staff will carefully review whether Pacific Power was able to achieve those benefits and that savings were passed on to customers.

### This upgrade has come out of nowhere. Why wasn't there more discussion?

PGE and Idaho Power transitioned to broadcasting meters 10 years ago. Pacific Power has evaluated this upgrade since 2012. From continuously updating the opt-out fee to reflect the costs of manually reading meters to ensuring the benefits of upgraded meters are realized, this is just one step of a multi-year, public process to optimize the electricity system, ensure it is responsive to customer preferences and improve its reliability.