

PROJECT NO. 31418

**RULEMAKING RELATING TO
ADVANCED METERING**

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**PUBLIC UTILITY COMMISSION
OF TEXAS**

REPLY RESPONSES OF ESC

February 13, 2006

ESC appreciates the opportunity to provide reply comments to comments posted on the Texas PUC website on January 30, 2006. ESC provided initial comments as well.

1. Advanced Metering for All Customers is Typically Cost-Effective When The Customer Benefits are Included

Many utilities have paid for advanced metering simply by reducing utility operating costs. Nearly 15 percent of the electric meters in the U.S. have been replaced with advanced meters that can deliver hourly data daily. For most utilities, however, operating savings are either slightly lower or slightly greater than the deployment cost. Such marginal business cases cause advanced metering projects to be deferred or avoided by most utilities.

Customer benefits, including greater control over their energy usage via access to more detailed usage information and, in some cases, rate options, are typically equal to utility operating savings, thus doubling savings from a societal/ratepayer perspective. Utilities and jurisdictions (e.g. California; Ontario, Canada; Victoria, Australia) that have considered customer benefits find universal advanced metering deployment to provide total benefits that significantly exceed costs. Another benefit of advanced metering we agree is important is enabling the “intelligent grid” (CenterPoint comments at 6).

2. ESC Agrees that the PUC Should Not Specify Specific Technologies

ESC agrees with the many commenters stated that the PUC should not make specific advanced meter technology decisions (*e.g.* TXUED comments at 1). ESC further agrees that, beyond specifying the minimum functionality, the PUC should provide utilities with maximum freedom in their implementation plans (AEP Companies' comments at 4). That minimum standard should be that advanced meters should collect data in intervals of hourly or less and retrieve data to the utility in intervals of daily or more frequently for the reasons described in detail in ESC's opening comments. This is enabled by "Fixed Area Network" advanced metering (CenterPoint comments at 4-5).

3. ESC Agrees that Pilots are Not Needed

Over 50 million advanced electric meters have been deployed worldwide. There is no need to conduct additional pilots, as many commenters have stated (AEP Companies' comments at 5).

4. ESC Agrees that the Commission Should Not Prescribe Open Architecture

ESC agrees with the many parties stating the Commission should not prescribe open architecture (*e.g.* CenterPoint comments at 11). ESC principals have had extensive experience with attempts to prescribe such standards over the past two decades (and currently co-chair the OpenAMI Initiative). The standards that have been most effective have been those that are developed voluntarily by utilities or other industry participants and are adopted voluntarily by utilities. The voluntary approach allows for diversity in both technical and functional needs among the various TDSPs, REPs, and other market participants.

4. ESC Agrees that the Commission Should Not Prescribe Open Architecture

While ESC is a big supporter of open architecture in principle, ESC agrees with the many parties stating the Commission should not *prescribe* open architecture (*e.g.* CenterPoint comments at 11). ESC principals have had extensive experience with attempts to prescribe such standards over the past two decades (and currently co-chair the OpenAMI

Initiative). The standards that have been most effective have been those that are developed *voluntarily* by utilities or other industry participants and are adopted *voluntarily* by utilities. The voluntary approach allows for diversity in both technical and functional needs among the various TDSPs, REPs, and other market participants.

5. ESC Disagrees that an Additional Forum Should Be Established to Specify the Details of Advanced Metering Deployment

For several reasons, ESC believes an additional forum to develop advanced metering implementation details should not be established (REP Coalition comments at 4). CenterPoint comments at 11). First, ESC believes the current comments process provides sufficient stakeholder input for the Commission to make its advanced metering policy decisions. Second, REP goals can be accommodate both through the instant process as well as through working directly with their local TDSPs. Third, one of the goals suggested for such an effort, a consistent data protocol for meter data to be used at ERCOT, already exists and is used for metering data. Fourth, as noted above and by many commenters, implementation works best if the details of implementation are left to the TDSPs making the investments. Fifth, an enormous body of work and research is available in the marketplace already from similar efforts in other jurisdictions and from the actual deployment experience of tens of millions of advanced meters. A new process is not needed to “reinvent the wheel.” Finally, many of the concerns expressed, such as not advantaging one REP over another (REP Coalition comments at 5), are already covered by existing statute or regulation. Finally, systems “designed by committee” are well known to result in generally poor solutions. and that an additional forum to develop implementation details ESC principals have had extensive experience with attempts to prescribe such standards over the past two decades (and currently co-chair the OpenAMI Initiative). The standards that have been most effective have been those that are developed *voluntarily* by utilities or other industry participants and are adopted *voluntarily* by utilities. The voluntary approach allows for diversity in both technical and functional needs among the various TDSPs, REPs, and other market participants.

6. ESC Agrees the Customer Access to Data is Essential

ESC agrees with the many parties pointing out the importance of customer access to advanced metering-generated data (e.g. REP Coalition at 9). ESC further agrees, “Standardization of the protocols and output will facilitate customer’s ease of use of the data regardless of the TDSP, but this standardization would be best developed by the market participants in other forums” (TXUED Comments at 2).

Respectfully submitted,

Chris King
President, ESC Consulting
1 Twin Dolphin Drive
Redwood City, CA 94065
(650) 631-7230
chris@emeter.com

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