

Coalition Urges Congress to Recognize that a Smart Grid Requires a Smart Meter

Coalition Urges Congress to Retain Provision in Energy Bill Aimed at Lowering Costs and Increasing Reliability of the Nation's Electricity System.

(Washington, September 2, 2003) Providing encouragement for the deployment of "smart meters" would be "smart" energy policy according to a Coalition of parties that see the capabilities that they provide to electricity users and providers as an essential building block for a smart electricity grid, and therefore an important component of the energy bill presently before Congress.

The Demand Response and Advanced Metering Coalition (DRAM), a group of utilities, metering and communications companies and public interest groups, today called on Congress to retain a provision in the energy bill that would provide a tax incentive aimed at accelerating the installation of smart meters in homes and businesses across the country.

Smart meters allow electricity users to choose to lower their electricity bills by shifting their usage to lower cost periods. Such activity by users, known as Demand Response, is increasingly seen by policy makers as a key part of a plan for addressing the nation's electricity needs. Additionally, when a smart meter is used to deliver Demand Response, additional benefits in areas such as outage detection and restoration can be realized, making the meter a key component of a utility's efforts to address blackouts and storm-related outages.

"Demand response makes too much sense to be ignored by policy makers at this point" said Richard Mora, President and CEO of Landis+Gyr, Inc., a member of the DRAM Coalition. "Letting customers choose to lower their bills by shifting usage reduces peak demand and helps avoid power shortages, transmission problems and the need to build new power plants. Just as important if not more so, by some customers reducing peak demands it dampens the market power of sellers during peak periods and thus lowers prices for everyone. Furthermore, the two-way communication ability that comes with smart meters and other demand response technologies gives electricity providers another tool for optimizing their planning and operations and creating a truly smart grid" added Mora.

Energy experts increasingly are turning their attention to Demand Response and Advanced Metering. The Electric Power Research Institute (EPRI), a leader in efforts aimed at creating a Smart Grid, recently released a new report called Electricity Sector Framework for the Future that outlined a vision for restoring a reliable and affordable power system in the U.S. In that report EPRI called for empowering the customer to help make the system more economical and more reliable. EPRI also urged that technical innovation is key, and specifically called for transformation of the electricity meter into a two-way energy and information portal.

States Policy Makers are increasingly turning in the direction of Demand Response. For example, at its September Meeting, the Western Governors Association adopted a resolution that included a call for utilities and state and tribal public utility commissions to adopt rate reforms that send more accurate price signals (or a proxy for such price signals) to consumers. The governors called this “the first step in empowering customers to make wise decisions about their energy use” and called for the development and deployment of “technologies that allow building owners and other consumers to receive more accurate price signals that encourage them to reduce or shift consumption to off-peak times”.

By retaining the metering tax incentive presently in the bill, Congress has an opportunity to do something that will immediately begin to address our electricity problems – both in the area of pricing and reliability, added Dan Delurey, Executive Director of the DRAM Coalition. “In addition to near term benefits, such action by Congress would be an investment in our electricity system that will pay dividends for years to come.”

Members of the Demand Response and Advanced Metering (DRAM) Coalition include SchlumbergerSema, Landis+Gyr, Echelon, eMeter, Southern California Edison, Pacific Gas & Electric, DCSI, E-Mon/MeterSmart, Puget Sound Energy and Silver Spring Networks. More information on DRAM can be found at www.dramcoalition.org.

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