



BULLETIN

DATE ISSUED: March 23, 2022

**TO: All Licensed Electricity Distributors
All Licensed Unit Smart-Meter Providers
The Smart Metering Entity
All Other Interested Parties**

RE: Smart Meter Supply Constraints

This Bulletin sets out Ontario Energy Board (OEB) staff's position that it will not take compliance action against electricity distributors who, despite exercising due diligence, are unable to obtain smart meters due to current supply constraints.

1. Background

OEB staff has become aware that some electricity distributors are having difficulty obtaining smart meters for residential and small business customers, apparently due to global supply chain issues affecting the semiconductors used in the manufacture of the meters. One distributor has advised that shipments of smart meters ordered in 2020 and 2021 have been delayed, and that its current stock of meters could run out before shipments are received.

OEB staff understands that meters made by Sensus are particularly affected by these supply chain issues. A number of Ontario distributors rely on Sensus smart meters.

2. Distributors Must Exercise Due Diligence

Generally, meters for residential and small business customers must be smart meters capable of measuring electricity usage based on time of use that meet the prescribed technical specifications.¹ Customers on the Regulated Price Plan (RPP) must be offered the choice between time-of-use and tiered pricing.²

¹ *Electricity Act, 1998*, sections 53.16 and 53.18; O. Reg. 425/06 (Criteria and Requirements for Meters and Metering Equipment, Systems and Technology) and O. Reg. 427/06 (Smart Meters: Discretionary Metering Activity and Procurement Principles) under that Act. Unit sub-meter providers and unit smart meter providers are also required to use smart meters that meet the prescribed specifications: section 37 of O. Reg. 389/10 (General) under the *Energy Consumer Protection Act, 2010*.

² Subsection 6(4) of O. Reg. 95/05 (Classes of Consumers and Determination of Rates) under the *Ontario Energy Board Act, 1998*; section 3.5 of the Standard Supply Service Code.

While OEB staff expects distributors to make all reasonable efforts to obtain the smart meters they need, which may include working with their meter suppliers and invoking mutual aid agreements with other distributors, OEB staff recognizes that in some cases it may nevertheless be impossible to procure enough smart meters to meet demand.

For the duration of the shortage, OEB staff will not take compliance action against distributors who, despite their due diligence, are unable to use smart meters to connect new customers to the distribution system (or to replace smart meters that require replacement) and are therefore unable to provide such customers the option of time-of-use pricing. New connections should not be delayed.

If a distributor must use conventional meters, OEB staff would expect:

- The distributor will provide advance notice to OEB staff (IndustryRelations@oeb.ca), which notice will include an explanation of the number of customers expected to be affected and the length of time they are expected to be affected, and will provide any additional information OEB staff may request
- The distributor will provide an update to OEB staff within six months of the notice
- The conventional meters will meet Measurement Canada requirements
- The distributor will take manual readings of the conventional meters at least once a month
- The distributor will replace the conventional meter with a smart meter promptly after supply becomes available and will ask the customer whether the customer would like to switch to time-of-use pricing

OEB staff is not aware of any unit sub-meter providers being affected by the meter shortage but would expect to be informed promptly if issues arise.

3. Conclusion

OEB staff expects distributors affected by the current smart meter shortage to make all reasonable efforts to obtain the smart meters they need, but if despite those efforts a distributor must use conventional meters for some customers on an interim basis, OEB staff will not take compliance action against it. OEB staff emphasizes that installing a conventional meter must be the distributor's last resort.

OEB staff will continue to monitor the situation and will if necessary provide further guidance to the sector or to specific licensees.

The views expressed in this Bulletin are those of OEB staff and are not binding on a panel of Commissioners. Any questions regarding this Bulletin should be directed to the OEB's Industry Relations email address at IndustryRelations@oeb.ca.