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Re: Smart Meter Initiative (RP-2004-0196) Draft Implementation Plan

The Kingston Chapter of the Ontario Electricity Coalition opposes the proposed province-wide installation of smart meters and wishes to submit their arguments and suggest alternatives.

The government has not provided a convincing cost/benefit analysis to justify the implementation of 800,000 smart meters by 2007. The proposal is based on an unfounded expectation that a move towards smart metering will lower costs and increase benefits to Ontario residents. Although the potential savings to individual consumers would be available to those living in single family dwellings and individually metered apartments, no provision is made in the proposal for the substantial segment of the population who live in bulk metered apartments and thus pay utility bills as part of rent.

Further, for a good portion of the Ontario residents, the bulk of their electricity consumption is not readily “time transferable” (heat, cooking...). In fact, an attempt to rearrange their lives would place an extra burden on working families, particularly working poor and families with children. They would have all the trouble for minimal savings. Those who live in poverty have already reduced their consumption to the bare minimum and therefore their likelihood of being able to take any further advantage from the meters would be minimal.

In light of the tremendous cost of the proposal (over 1 billion dollars) leading to a monthly increase of \$4 for each household for an unspecified period of time, we ask the Ontario Energy Board to consider instead more cost-effective ways to conserve energy. Ontario Energy Board should investigate what is the most efficient mode of heating. Some possibilities would be interest-free multiyear loans for low-income families to replace expensive baseboard heating or install thermostats, trade-in programs for inefficient electric water heaters, etc. One major saving which could be made in peak reduction could be in having all electric water heaters centrally controlled by Utilities so that they can be shut down at peak periods. The Ontario Energy Board should also devise an incentive program for landlords and tenants to conserve energy. Currently, tenants either have no monetary incentive to conserve energy with all-inclusive rents where utility cost is folded into the rent, or they pay excessive utility bills with landlords who have no interest in installing efficient heating.

The proposed province-wide installation of smart meters would not constitute energy conservation, but would only reduce load peaks. In fact, the \$4 increase per household would be a regressive measure resulting in a net subsidy of large consumers with smart meters by small consumers. In contrast, comprehensive programs of energy conservation, e.g. replacement of electric baseboard heaters, both for low-income homeowners and for apartment buildings, would lower Ontario's overall electric consumption and at the same time help low-income families by significantly reducing their utility bills.

Having stated our opposition to the plan, the Kingston Chapter of the Ontario Electricity Coalition wishes to submit comments, should the proposal for the province-wide installation of smart meters be endorsed.

Analysis: Pilot studies are a prerequisite to establish actual effectiveness of smart meters at every social level.

Rate Schedules: Rates should be scheduled in time blocks, not the minute by minute system designed for the spot price “market”, which we trust will be eliminated in the near future in accordance with the government’s election promises. To do otherwise would make the system meaningless for the millions of families whose financial circumstances require that both parents work.

Meters: All meters should be standard and constructed in accordance with rigid technical specifications available to all meter manufacturers. No monopoly of smart meter manufacturers should be allowed.

Meters should be internally installed in residences and should have simple features enabling the consumer to instantly access information regarding real-time rates, consumption, history of consumption and current billing status. They should be tamperproof and accessed by utilities with hard-wired data collection systems.

Public consultations on the plan should be carried around the province before implementation.

In order to encourage distributed, small-scale energy generation, the new meters should be designed to allow net-metering or easy input of new software options for cases where residents become able to generate as well as consume electricity.

Participation: Due to the above reservations the use of these meters should be at the individual resident's choice.

Funding: Our research has indicated that the government is receiving unreported revenues from the generation and transmission system far in excess of the estimated cost of the project. Therefore, we expect any cost of this program to be paid from these revenues by the government. Since this research exceeds the topic of this submission, we will refrain from going into details. We will provide you with the relevant data on the research in the near future.

Sincerely

Marijana Matovic
Chair