Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
26th Floor
Toronto ON M4P 1E4
Telephone: 416 481-1967
Facsimile: 416 440-7656

Commission de l'énergie de l'Ontario
C.P. 2319
2300, rue Yonge
26e étage
Toronto ON M4P 1E4
Téléphone : 416 481-1967
Télécopieur : 416 440-7656

Ontario

For immediate release

January 26, 2005

OEB Releases Proposed Implementation Plan on Smart Meters

Toronto – The Ontario Energy Board today submitted its final implementation plan on smart meters to the Minister of Energy. The Government of Ontario has established targets for the installation of 800,000 smart electricity meters by December 31, 2007 and installation of smart meters for all Ontario consumers by December 31, 2010.

In July 2004, the Minister of Energy asked the Ontario Energy Board to provide a plan to implement smart meter targets. The plan released today outlines a basic smart meter system in Ontario to measure how much electricity a consumer uses each hour of the day.

The proposed plan identifies the mandatory technical requirements for smart meters and the support systems distributors will require; sets priorities for implementation in order to meet the government's targets; identifies regulatory mechanisms for the recovery of costs; and identifies how barriers can be mitigated. In addition, the report addresses competitiveness in the provision and support of smart meters and the need for and effectiveness of non-commodity time of use rates.

The Board's recommendations consider many factors including the structure of the electricity distribution system in Ontario, the need to begin implementation promptly to meet the government's target installation dates and the estimated cost of the proposed system.

Highlights of the proposed plan include:

- smart meters that are capable of recording hourly data for every customer
- a two-way communication system that transfers data to and from the meter by the distributor, including reading from remote locations, which is not possible with existing meters
- consumers' access to consumption data by telephone or Internet the following day
- initial installation will focus on large consumers and residential and commercial consumers in large urban areas. To meet the target of 800,000 customers by 2007, consumers with peak demand over 200kW would get interval meters and residential and small commercial consumers would get smart meters
- smaller distributors would follow, installing smart meters for their customers starting in 2008 and drawing on the experience of large urban installations
- the Board will provide guidance to smaller distributors in the second installation phase

- distributors would continue to be responsible for the maintenance and installation of smart meter systems
- a program coordinator would monitor progress and coordinate the activities of distributors
- consumers may be able to choose enhanced services, such as remotely controlled energy consumption or in-home customer display, from a distributor or retailer for an additional charge

“The Board's proposed implementation plan is a significant milestone in the evolution of Ontario's electricity sector and is a critical step towards helping the province reach its goal of achieving a conservation culture,” says OEB Chair Howard Wetston.

Currently consumers have limited price incentive to manage their use of electricity as there is no price differential or way to measure consumption at different time periods. The Board is currently developing a Regulated Price Plan (RPP) for residential and other eligible consumers that will incorporate pricing for smart meters. Under this plan, electricty prices will vary depending on when power is used.

“The combination of a smart meter and a *smart* price plan means customers will have the incentive and the ability to control their energy costs through moving usage to off-peak periods (for example, running the dishwasher at night) or lowering energy use during peak periods (such as setting the air conditioning a few degrees warmer during the afternoon),” the proposed plan states.

The proposed plan estimates that with the installation of all smart meters by 2010, the cost to consumers may be between $3 and $4 per month. The amount distributors would be allowed to charge consumers would be determined by the Board through a full and public rates process.

The Board’s release of its proposed plan follows a consultation process, which considered several alternative options with stakeholders. The Minister of Energy will review the Board’s proposed plan and decide on how it intends to proceed on smart meters.

The Ontario Energy Board regulates the province’s electricity and natural gas sectors in the public interest. It envisions a healthy and efficient energy sector with informed consumers, and works towards this vision through regulatory processes that are effective, fair and transparent.

For more information on the Board, please visit our web site at www.oeb.gov.on.ca or contact the Customer Service Centre at 416-314-2455 or toll-free at 1-877-632-2727.

-30-

For more information contact:
Donna Garant
Ontario Energy Board
416-440-8140