

August 11, 2004

Peter H. O'Dell
Acting Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
26th Floor
Toronto, ON M4P 1E4

Dear Sir,

Sub: RP-2004-0196

I am writing to provide comments on the Ontario Energy Board Staff discussion paper entitled "Implementation Plan for Smart Meters in Ontario." At the outset, allow me to congratulate you on publishing a detailed document that addresses the myriad aspects of deploying smart meters on a large scale. I would also like to take this opportunity to applaud the Premier of Ontario, Dalton McGuinty, for his bold plan to restructure Ontario's electricity sector as well as the Minister of Energy, Dwight Duncan, for issuing a clear-cut directive to implement over 4 million smart meters in Ontario.

We believe that smart meters are currently being deployed on a large-scale basis in two countries. As mentioned in your discussion paper, Enel SpA of Italy is installing advanced meters in approximately 30 million Italian locations. Enel has announced the cost of the deployment to be approximately 2 billion Euros. It anticipates savings in operational costs, derived from deploying the advanced meters, of around 500 million Euros a year from 2006 onward. As of June 2004, over 17 million advanced meters had been installed with new meters being added at a rate of approximately 700,000 per month.

The government of Sweden has mandated that over 5 million electricity meters in the country should be remotely read every month by 2009. Sweden has over 150 electricity distribution companies, many of which have already started deploying smart meters.

We believe that the on-going installations of smart meters in Italy and Sweden offer significant lessons for Ontario in procurement strategies, implementation priorities, and cost recovery mechanisms. We also believe that advanced metering systems built on open, internationally accepted standards are available today that transform the power grid from a conventional energy delivery pipe into a sophisticated customer

care system. Many services can be cost-effectively delivered to the mass-market with the same set of smart meters, including:

- Bi-directional remote meter reading
- Scheduled, on-demand and interval/load profile reads
- Time of use, critical peak and real time pricing
- Real-time display of energy usage to customer
- Superior outage management
- Comprehensive revenue protection
- Multiple quality of service measurements
- Remote disconnect and reconnect of service
- Remote configuration of customer service level
- Prepayment without card
- Direct load control
- Gas and water metering
- Customer premise value-added services

We look forward to sharing with you our first-hand experience of smart metering projects in Italy, Sweden and other places as well as of the available business and technology choices as you plan the deployment of smart meters in Ontario.

Sincerely,

original signed by

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