

SENATE, No. 3467

STATE OF NEW JERSEY 217th LEGISLATURE

INTRODUCED NOVEMBER 9, 2017

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

SYNOPSIS

Requires electric public utilities to install smart meters at customers' premises upon customer approval; makes meter data available to certain electric-related service entities.

CURRENT VERSION OF TEXT

As introduced.



1

2 **AN ACT** concerning certain electric public utility equipment and
3 supplementing P.L.1999, c.23 (C.48:3-49 et al.).

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5 **BE IT ENACTED** by the Senate and General Assembly of the State of
6 *New Jersey*:

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8 1. a. The Legislature finds and declares that:

9 (1) the State's four electric public utilities (utilities) have had to
10 respond to an increasing number of power outages due to recent extreme
11 weather events and natural disasters in New Jersey, including
12 Superstorm Sandy in 2012 and the Halloween Nor'easter and Tropical
13 Storm Irene in 2011;

14 (2) smart meter technology provides system-wide benefits within
15 the utilities' service territories, where the use of two-way meters capable
16 of sending and receiving electronic data could take place anywhere
17 within the State;

18 (3) smart meters can provide utilities with a powerful tool to aid in
19 pinpointing outages quickly and accurately;

20 (4) smart meters empower utility customers to reduce their
21 electricity costs by providing real-time pricing information so
22 customers can adjust their electricity usage, and will help the State meet
23 its energy efficiency goals in a way that reduces costs for all electricity
24 users; and

25 (5) smart meter technology promotes the State's goal of minimizing
26 public health impacts and improving the reliability of the State's electric
27 power grid and energy infrastructure. b. The Legislature therefore
28 determines that:

29 (1) it is in the economic and environmental interest of the citizens
30 of this State that the Board of Public Utilities (board) initiates a broad
31 deployment of smart meters to begin the process of realizing the
32 economic, environmental, health, and safety benefits that smart meter
33 technology has promised;

34 (2) a board proceeding is the best venue to discuss and determine
35 the technical aspects of electric grid modernization and broad smart
36 meter deployments, including health and safety concerns;

37 (3) to encourage the adoption of smart meters and its technology and
38 finance its deployment, the four utilities should be able to be reimbursed
39 for the costs associated with the deployment; and (4) residential utility
40 customers, however, shall have the right to choose the type of meter that
41 is placed on their premises; therefore, all four utilities shall offer their
42 residential customers the option of allowing them to retain a traditional
43 meter.

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45 2. As used in P.L. , c. (C.) (pending before the Legislature as
46 this bill):

47 “Base rate case” shall have the same meaning as prescribed for that term
48 under section 2 of P.L.1995, c.180 (C.48:2-21.25). “Board,” “electric
49 power supplier,” “electric public utility,” and “electric related service”
50 shall have the same meaning as prescribed for those terms under section
51 3 of P.L.1999, c.23 (C.48:3-51). “Customer” means the person
52 identified in the account records of an electric public utility as the person
53 responsible for payment of the bill for electric service. A customer may
54 be, but is not required to be, an end user.

55 “Customer information” means information specific to a particular
56 customer, which an electric public utility has acquired or developed
57 while providing services under P.L. , c. (C.) (pending before
58 the Legislature as this bill). “Customer information” shall include, but
59 not be limited to, a customer’s name, address, telephone number,
60 electricity usage habits, history, or peak demand, and electric bill
61 payment history.

62 “End user” means a person who receives or consumes electric service.
63 An “end user” may be, but is not required to be, a customer.

64 “Program” means the smart meter procurement and installation
65 program established pursuant to section 2 of P.L. , c. (C.)
66 (pending before the Legislature as this bill).

67 “Smart meter” means an electrical meter that provides a customer with
68 real-time usage information and pricing data on at least an hourly basis,
69 records and store hourly usage data, reports the status of the electric
70 power supply to an electric public utility for the customer’s premises,
71 and turns the electric power for the customer’s premises on or off
72 through remote disconnection or connection of service.

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74 3. a. Within 90 days after the effective date of P.L. , c. (C.) pending
75 before the Legislature as this bill), the board shall initiate a proceeding
76 allowing an electric public utility to install a smart meter and any
77 infrastructure necessary to operate a smart meter at customers’
78 premises. An electric public utility shall not install a smart meter
79 without first receiving a customer’s approval.

80 b. The board’s proceeding shall address what information the smart
81 meter may gather from the customer, who may access the information,
82 how the information is transmitted, where the information is stored, the
83 length of time the electric public utility may retain the information,
84 when and how the information may be permanently deleted, whether
85 the information is accessible to the public pursuant to P.L.1963, c.73
86 (C.47:1A-1 et seq.) and P.L.2001, c.404 (C.47:1A-5 et al.), and any
87 other information the board deems necessary.

88 c. Notwithstanding the provisions of P.L. , c. (C.) (pending
89 before the Legislature as this bill) or any law, rule, regulation, or order
90 to the contrary, the board shall make available, upon first receiving
91 customer approval, direct and electronic access to a customer’s smart

92 meter data by an electric power supplier or a provider of electric related
93 service.

94 d. Upon completion of the board's proceeding, which shall not be
95 more than one year after the effective date of P.L. , c. (C.) (pending
96 before the Legislature as this bill), each electric public utility shall
97 submit a proposed smart meter procurement and installation program to
98 the board for approval and provide the board with any information the
99 board deems necessary and appropriate. The program shall describe, in
100 writing, the smart meter technology the electric public utility proposes
101 to install and shall provide the customer with:

- 102 (1) an explanation of the program;
- 103 (2) the customer's rights under the program;
- 104 (3) the customer's ability to opt-out of the program;
- 105 (4) an explanation of smart meter technology privacy features; and
- 106 (5) the benefits and purpose of the program.

107 e. An electric public utility shall install a smart meter at a
108 customer's premises in a manner determined by the board. The cost to
109 install and operate a smart meter and any associated infrastructure shall
110 be recoverable by an electric public utility in a base rate case.

111 f. Lost or decreased revenues incurred by an electric public utility
112 due to reduced electricity consumption or shifting of electric demand
113 shall not be considered by the board:

- 114 (1) for the cost of smart meter technology recoverable by an electric
115 public utility under a board-approved levelized energy adjustment
116 clause, except that decreased revenues and reduced energy
117 consumption may be reflected in the revenue and sales data used to
118 calculate rates in an electric public utility rate base rate proceeding;
119 or
- 120 (2) as a recoverable cost by the electric public utility.

121 g. Nothing in P.L. , c. (C.) (pending before the Legislature
122 as this bill) shall be construed to prohibit an electric public utility
123 providing basic generation service or an electric power supplier from
124 offering time-of-use rates and real-time pricing plans after the
125 implementation of a electric public utility's smart meter program. The
126 electric public utility providing basic generation service or an electric
127 power supplier may offer the timeof-use rates and real-time pricing plan
128 to a customer provided with smart meter technology authorized under
129 P.L. , c. (C.) (pending before the Legislature as this bill).
130 Residential or commercial customers may elect to participate in time-
131 of-use rates or real-time pricing plans offered by an electric public
132 utility.

133 h. An electric public utility may recover reasonable and prudent
134 costs of providing smart meter technology authorized under P.L. , c.
135 (C.) (pending before the Legislature as this bill), as determined by
136 the board. Reasonable and prudent costs may include annual
137 depreciation and capital costs over the life of the smart meter technology

138 and the cost of any system upgrades, incurred after the effective date of
139 P.L. , c. (C.) (pending before the Legislature as this bill), that
140 the electric public utility may require to enable the use of smart meter
141 technology, less operating and capital cost savings realized by the
142 electric public utility from the installation and use of smart meter
143 technology.

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145 3. This act shall take effect immediately, but shall remain inoperative
146 for 60 days following the date of enactment.

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STATEMENT

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151 This bill provides that, within 90 days after the effective date of the bill,
152 the Board of Public Utilities (board) is to initiate a proceeding requiring
153 an electric public utility (utility) to install a smart meter and any
154 infrastructure necessary to operate a smart meter at their utility
155 customers' premises. The utility is not to install a smart meter without
156 first receiving customer approval. The board's proceeding is to address
157 what information the smart meter may gather from the customer, who
158 may access the information, how the information is transmitted, where
159 the information is stored, the length of time the utility may retain the
160 information, when and how the information may be permanently
161 deleted, whether the information is accessible to the public under the
162 "Open Public Records Act," and any other information the board deems
163 necessary. The board is to make available, upon first receiving customer
164 approval, direct and electronic access to customer smart meter data by
165 an electric power supplier or a provider of electric related service.

166 The bill requires a utility to submit its proposed smart meter
167 procurement and installation program (program) to the board for
168 approval and provide the board with any information the board deems
169 necessary and appropriate. The program is to describe, in writing, the
170 smart meter technology the utility proposes to install and provide the
171 customer with: 1) an explanation of the program; 2) the customer's
172 rights under the program; 3) the customer's ability to opt-out of the
173 program; 4) an explanation of smart meter technology privacy features;
174 and 5) the benefits and purpose of the program. Residential or
175 commercial customers using smart meters may elect to participate in
176 time-of-use rates or real-time pricing plans offered by a utility or an
177 electric power supplier.

178 The bill allows a utility to recover reasonable and prudent costs to the
179 utility, as determined by the board, to install and operate a smart meter
180 and any associated infrastructure and include those costs in a utility base
181 rate case.

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1 As defined in the bill, a “smart meter” is an electrical meter that
2 provides a customer with real-time usage information and pricing 3
 data on at least an hourly basis, records and store hourly usage data,
4 reports the status of the electric power supply to an electric public
5 utility for the customer’s premises, and turns the electric power for
6 the customer’s premises on or off through remote disconnection or 7 connection of
 service.