

Date: July 10, 2013

To: All Legislators

From: Rep. Jeremy Thiesfeldt

Re: LRB 0644/2— Relating to: installation of smart meters at premises of public utility customers and allowing an opt-out

Local utilities, as most any business, are looking for ways to apply modern technologies to their business models to enhance efficiency to the benefit of profit margin and customers. One of these efforts has been the implementation of “smart meters” and creating a “smart grid”. While the attempts at efficiency are laudable, they are often being attempted through the mandate of the technology upon the customers. In an industry that largely possesses no competition amongst its customers, smart meters are being placed in homes that cross the line of individual rights.

This bill allows for an individual to “opt-out” of any smart meter project, but also allows the Public Service Commission (PSC) to approve reasonable rates based on manual quarterly readings to maintain the current analog equipment. This allows the utility to be able to charge those who opt-out of the smart meter technology at a rate that will cover the cost of operating the alternative.

Eight states have adopted laws or regulations that make it easier for customers to opt-out of smart-meter programs and keep old analog meters. With this proposal, nine states are considering similar measures.

A smart meter is a device that is located on the customer’s premises and can in real time record and report utility consumption information typically through wireless means. (Please [visit this website for more general information.](#))

Smart meters can have the ability to collect more than just the utility data. When installed and used with compatible appliances, the devices can track if a home is occupied, if the home security system is activated, when a consumer wakes up, and goes to bed, water and air temperatures, computer usage, showering, etc. The list of potential data collection is almost endless. Rationing of utility usage is also within the scope of capability. All of this information could be potentially sold to companies desiring such consumer data and could end up in the hands of law enforcement as well. The data could also become victim to computer hackers.

This proposal is essentially a Fourth Amendment bill. When successful, it will push back future potential intrusions of the rights of citizens. People should maintain the right to control the distribution of personal information outside their home. The heart of being a consumer is having a choice—utility customers do not normally have the luxury of alternate providers. With smart meter mandates, they are resigned to sacrifice privacy for essential services.

If you are interested in signing on to this bill please email back to Rep. Thiesfeldt (or call 6-3156) by **Friday, July 26, at 1:00 p.m.**

Analysis by the Legislative Reference Bureau

This bill prohibits public utilities, other than telecommunications utilities, from installing certain meters at the premises of customers who object to the meters.

The bill applies to “smart meters,” which the bill defines as a meter that is capable of transmitting any data that is in addition to data measuring a customer’s usage of public utility service. Also under the bill, if a public utility installed a smart meter at the premises of a customer who objects to the installation, the public utility must remove the smart meter.

The bill also requires public utilities to submit tariffs for PSC approval that specify the procedures for customers to object to smart meters. In addition, the tariffs must specify the charges imposed on customers who object to smart meters. The bill requires the charges to be based on the costs reasonably incurred by public utilities to measure service used by such customers, including the cost of manually collecting usage readings no more frequently than quarterly. The bill requires public utilities to submit the tariffs to the PSC no later than approximately three months after the bill goes into effect. If a public utility demonstrates to the PSC’s satisfaction that the public utility does not intend to install smart meters, the public utility is not required to submit a tariff. However, if such a public utility subsequently determines to install smart meters, the bill prohibits their installation until the public utility files, and the PSC approves a tariff that complies with the foregoing requirements.