

## An Educated Consumer

By Lisa V. Wood, executive director, Institute for Electric Efficiency

Through utility experience and regulatory direction, a stakeholder process has become part of the blueprint for a modern-day automated meter infrastructure (AMI) deployment. And it has helped the utility forge strategic partnerships to improve on the quality of information delivery to customers.

Developing a stakeholder process for what otherwise is a rather straightforward capital equipment upgrade (installing a new meter) is not the usual practice for most utilities. But customers spend little time thinking about their energy use. And for several reasons, engaging regulators, consumer advocates, community leaders, and others—and using various channels to reach customers prior, during, and after the installation of a smart meter—has proved effective in smoothing the way to successful automated meter infrastructure deployment.

Some customer groups, for example, might listen to and trust community-based information outlets (such as consumer advocacy groups, faith-based organizations, community organizations, or civic leadership) over the utility. At the same time, involved stakeholders can be effective delivering targeted messages for specific types of customers. And using many information channels helps keep the effort fresh and allows for iterative messaging and education.

### Educate, Install, Act

For those groups and for customers, there are four ingredients to successful utility AMI communication to stakeholders.

First, the utility must explain why it is upgrading and modernizing the meter and grid. For example, it is a clear message to say that the electric meter is based on 100-year-old technology and is being replaced with a cutting-edge smart meter. Further, it states that a change is occurring, without overhyping it. This entry point allows for a broader discussion on the capabilities and benefits of the meter, immediately and down the road.

Second, the utility must identify the type and timing of benefits that will occur upon installation, as opposed to benefits that require customer involvement (demand response, for example) afterward. Such operational positives—enhanced outage detection, faster restoration, and remote connects/disconnects—are day-one benefits to the customer.

Third, highlight the benefits that mean most with the customer base—cost savings, greater efficiency, etc. Not all elements of the AMI business case need discussion. Some operational benefits, like theft detection, voltage control, and power quality may play a big role for the utility but might come across as too technical or alarmist.

At that point comes the last ingredient, which is to move beyond operational benefits and begin to engage consumers in smart rates and other programs enabled by smart meters.

### Follow the Blueprint

In the end, the onus is on the utility to install the meter and educate the customer. Upfront dialogue with regulators and consumer advocates can help the utility set achievable performance metrics for the meter deployment timeline and realistic expectations on the depth and rigor of customer education efforts. Once meters are deployed and education efforts are underway, it is reasonable to start to engage customers in programs enabled by smart meters.

In Maryland, where Baltimore Gas & Electric and Pepco are deploying smart meters, the utility has a metrics-based customer education plan agreed upon by regulators and other stakeholders.



Commonwealth Edison, in Chicago, spent a few years defining and refining a stakeholder process to deliver a smart meter education plan. The utility's partnership with advocates like the Center for Neighborhood Technology and the Citizen's Utility Board has helped the utility deliver simple, clear information to consumers. This variety of information sources provides a solid foundation for future, incremental education efforts. Other utilities are following similar processes, and with success.

Through these efforts the electric utility industry is poised to reach a significant milestone. By the end of 2012, 22 utilities will be at full deployment, and more than 40 million households will have smart meters. Already, in California, Delaware, and Maryland utilities are readying customers to make use of their smart meter data by notifying them of opportunities to earn a bill credit for reducing consumption during peak periods.

From education to installation to action, utilities that follow the blueprint are expanding AMI and helping customers make informed decisions and save money. ♦



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