



Advanced Meter Project Draft Opt-Out Policy

Public Utility Board Study Session
September 11, 2019



Agenda

- ☐ Why an Opt-Out Policy?
- ☐ Proposed Policy
 - ☐ General Statements
 - ☐ Meters and Visual Indicators
 - ☐ Eligible Customers
 - ☐ Fees
- ☐ Feedback and Next steps

Why an Opt-Out Policy?

- **Purpose:**

- Provide customers an alternative to a standard advanced meter installation
- Anticipate and prepare for a small group of concerned customers' needs

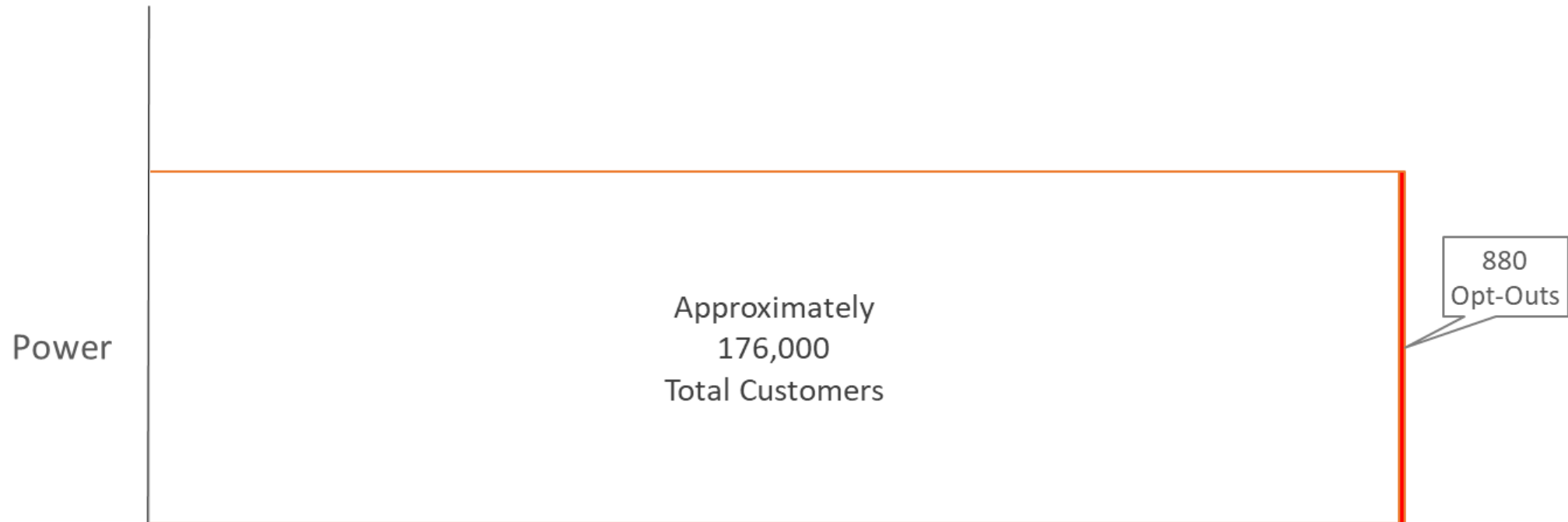
- **Core Principles:**

- Allow customers an equitable choice of service, while meeting utility equipment requirements
- Identify and equitably allocate the costs of alternative meter options
- Understand potential policy impacts on each customer class
- Educate customers on the benefits of an advanced meter



Why an Opt-Out Policy?

Anticipated Advanced Meter Opt-Out Customers



Based on national statistics, TPU anticipates approximately 0.5% of power customers will want to opt-out (880 of 176,000).









Why an Opt-Out Policy?

- Utilities have seen better acceptance results with a policy that addresses rather than resists opposition.
- A key goal of our customer outreach is to:
 - Educate customers on the benefits of an advanced meter
 - Keep the refusal percentage low to realize maximum customer benefits



Benefits of Advanced Metering



	Customer Benefits (over time)	Standard Advanced Meter	Opt-Out Meter
	Frequent usage data and expanded ways to save money	✓Yes	No
	Easier move in, out, and reconnection	✓Yes	No
	Faster outage and leak detection	✓Yes	No
	Flexible payment options (including pre-pay and selectable bill date)	✓Yes	No
	Budget billing	✓Yes	✓Yes
	Monthly billing	✓Yes	✓Yes
	Automated meter reading	✓Yes	No
	Reduced environmental impact	✓Yes	No

General Policy Statements

- **Advanced Metering Participation**

- All customers will be upgraded to advanced metering during mass deployment.
- New accounts will automatically participate in advanced metering.



Power &
Water Meters

General Policy Statements

- **Customers will be given the opportunity to opt-out.**
 - *Before* meter upgrade
 - *After* meter upgrade
- **Opt-Out Participation**
 - Customers must opt-out at the account level
 - Opt-out services will be converted to advanced metering upon move-out (or account closing).
 - An opt-out customer moving to a new location will be required to opt-out again (including related fees).
 - Customers must sign a form acknowledging fees, terms, and conditions.

Electric Opt-Out

• Electric Meter Options:

Opt-Out *BEFORE* Meter Upgrade

- Defer meter upgrade:
 - Customers can temporarily keep their existing legacy meter
 - Upgraded to radio off meter upon:
 - Legacy meter failure
 - Meter maintenance/obsolescence
 - Customer decision to upgrade
 - Meter will be wirelessly set up at the service location before turning the radio off



Legacy Meter



Radio Off
Meter

Opt-Out *AFTER* Meter Upgrade

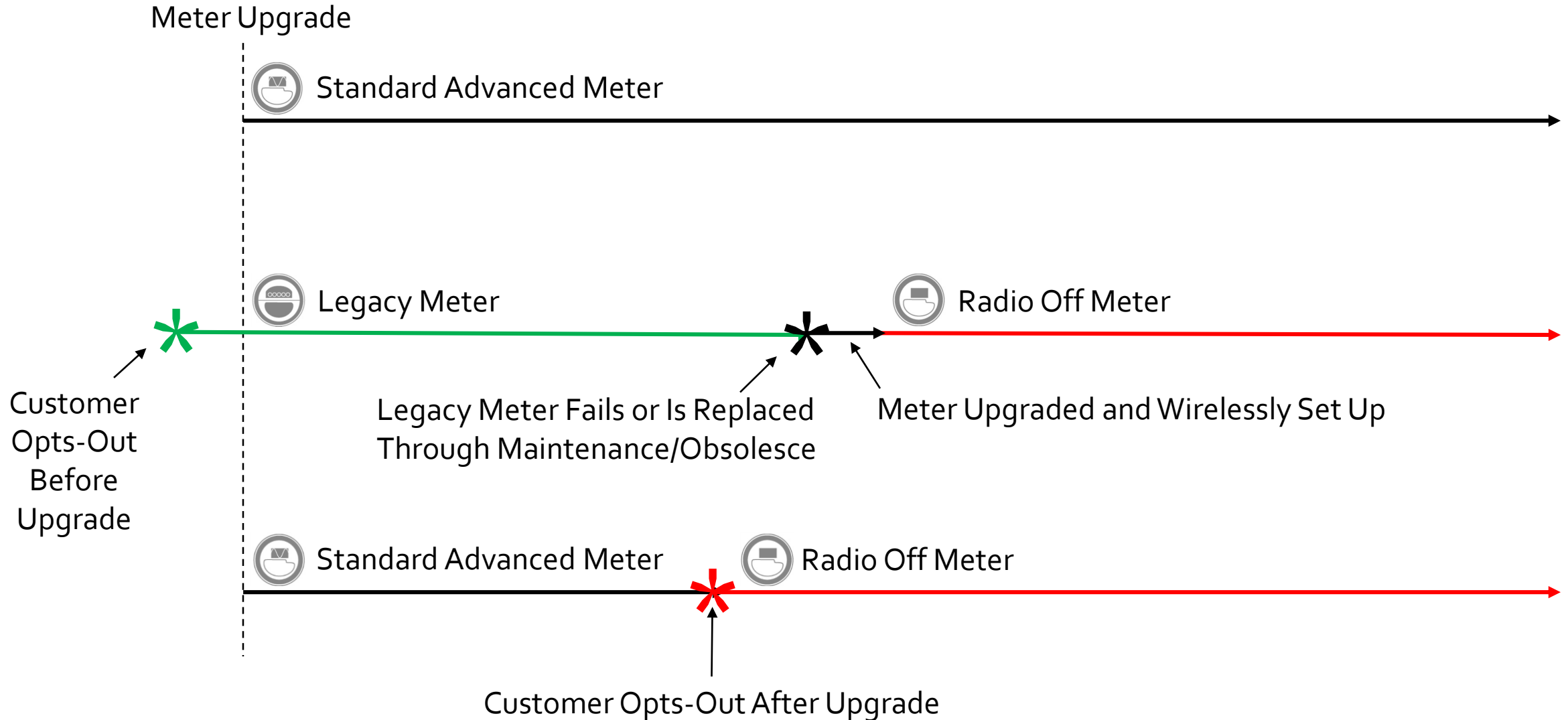
- Radio off meter
 - Meter has already been wirelessly set up at the service location



Radio Off
Meter

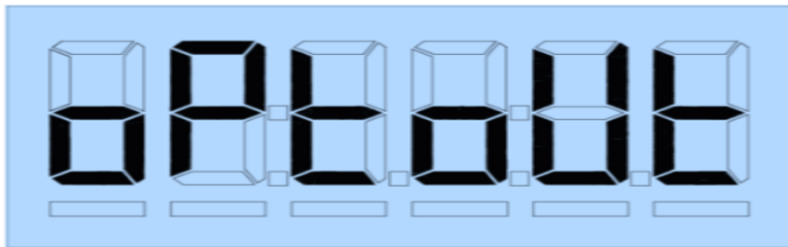
- Upgrade to radio off meter

Electric Opt-Out Timeline



Power Meters

- **Radio Off Meter:**
 - The meter's radio transmission communications will be turned off (opt-out mode).
 - Communications can be enabled and disabled remotely.



("Opt-Out")



Policy Decision #1



- Should TPU provide a water meter opt-out option?
 - A) Staff Recommendation: No
 - Water meters are typically located in the public right of way, not on private property
 - Peer utilities have seen the most opposition to electric meters, not water/gas
 - Many large water utilities researched do not offer an opt-out option
 - Eliminates a one time fee for opting-out of water
 - Does not eliminate potential customer privacy concerns related to a water advanced meter
 - B) Alternative: Yes
 - Provides an option to opt-out of the water advanced meter radio
 - Provides a balanced policy approach by providing an opt-out option for both power and water
 - Costs for water opt-out would be allocated to individual customers through a one time fee
 - Current fee estimate: \$40-50 per field visit
 - One field visit if customer opts-out **before** upgrade
 - Two field visits if customer opts-out **after** upgrade

Water Meters (if needed)

- **Radio Removed:**
 - Radio communication module can be removed and changed to a touch read sensor.

Standard Installation Advanced Meter With Radio Communication Module



Opt-Out Option Touch Read Sensor



Water Opt-Out (if needed)

- **Water Meter Options:**

Opt-Out *BEFORE* Meter Upgrade



Touch Read
Sensor

- Defer communication module installation:
 - Water meter is upgraded
 - Radio communication module is not installed
 - Touch read sensor is utilized

Opt-Out *AFTER* Meter Upgrade

- Radio communication module is removed
 - Touch read sensor is utilized



Touch Read
Sensor

Eligible Customers

Customer Type	Eligible to Opt-Out
Residential: Single Family or Multi-unit of 4 units or less	✓ Yes*
Move-in, New Account, New Service	✓ Yes*
Residential: Multi-unit > 4 units	No
Commercial & Industrial	No
Net Metering (solar)	No
Temporary Service	No

• In a tenant-landlord relationship, the utility account owner completes the opt-out form.

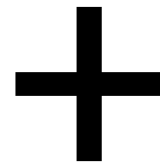
***Ineligible to opt-out or opt-out is revoked if customer has record of:**

- Equipment tampering or electric/water diversion
- Service disconnection for lack of payment 2 times in a 12 month period
- Obstructed meter access for meter reading and/or meter maintenance

Proposed Opt-Out Fees

One-Time Opt-Out Fee

(cost to setup meter and account for opt-out)



Recurring Billing Cycle Fee

(recurring cost to manually read and process meters)

- Fees are based on TPU's estimated cost of service to configure and operate the opt-out program.
- Customers can opt-in at anytime for no charge.

Initial One Time Opt-Out Fee

One-Time Opt-Out Fee

(cost to setup meter and account for opt-out)

- A one-time opt-out installation and administrative set up fee will be charged
 - Fees will be based on estimated costs to TPU to accommodate opt-out meters
 - Additional field visits (labor and vehicles)
 - Additional software integrations
 - Additional equipment costs
- One-time fee is not charged for customers completing their opt-out application before their meter is upgraded

Recurring Billing Cycle Fee

Recurring Billing Cycle Fee

(recurring cost to manually read and process meters)

- A recurring fee will be charged each billing cycle based on TPU's costs to provide the opt-out service, including:
 - Meter reading labor
 - Vehicle and drive time
 - Customer services, data systems, and office administrative time.
- Fees to begin on the billing cycle following meter installation

Assistance Programs

- Opt-out customers and associated opt-out fees will follow TPU's existing bill payment assistance programs and eligibility requirements.

Discount
Rate Program = 30% Discount

● ● ● DRAFT Opt-Out Fees

- Draft Opt-Out Fees:

Opt-Out *BEFORE* Meter Upgrade

- Recurring Bill Cycle Fee*:
 - \$20-30/cycle
- One Time Opt-Out Fee*:
 - \$0 Electric Fee

Opt-Out *AFTER* Meter Upgrade

- Recurring Bill Cycle Fee*:
 - \$20-30/cycle
- One Time Opt-Out Fee*:
 - \$200-225 Electric Fee

*Assumptions:

- 1) 0.5% of all customers will opt-out, 2) Fees distributed equally to opt-out customers by commodity,
- 3) Assumed drive times between customer locations, 4) Minimum expected fee ranges shown, 5) Subject to change

Fee Examples

Utility	One Time Fee	Monthly Meter Reading Fee	Comments
Seattle City Light	\$124.43 (admin) <u>\$84.21 (install)</u> \$208.64 (total)	\$15.87	-One-time install fee waived if opting-out two weeks before mass installation. -60% discount for rate assistance customers. -Net metering is not eligible.
Puget Sound Energy	\$90 electric \$50 gas	\$15 per meter	-One-time fee waived if notified before mass installation. -Billing cycle fee is every other month.
Avista	\$75	\$5	-One-time fee waived if within 31 days of install. -Recurring fee waived for income assistance customers.
ComEd	\$77.47	\$21.53	-One-time fee charged if after installation. -Monthly fee begins four billing periods after installation.
Con Edison	\$104.74 electric \$93.91 gas	\$9.50	-One-time fee only charged if after installation.
Grant PUD	\$250.99	\$63.64	-Rural.

Policy Decision #2



- Should additional software integration costs be allocated to the advanced meter project?
 - A) Staff Recommendation: No
 - Costs for electric opt-out would be allocated to individual customers through a one time fee
 - Current fee estimate: \$200-225
 - Additional electric opt-out specific software integrations are required to automate and correctly synchronize the radio off electric meter with TPU systems (~\$190,000)
 - B) Alternative: Yes
 - Aligns with general project scope and is consistent with the approach of similar project software integrations (e.g. pre-pay)
 - Eliminates a one time fee for opting-out of the electric advanced meter
 - It is challenging to precisely allocate specific one-time costs to individual customers (unknowns include the number of opt-outs and when opt-outs will occur)

Feedback and Next Steps

- **Feedback**
- **Next Steps:**
 - **Incorporate policy decisions into advanced meter workshops**
 - **Finalize policy documentation:**
 - Resolution
 - Opt-out form
 - Costs and Fees
 - **Finalize customer communication strategy and materials**
 - **Prepare for policy review and approval**