

Growing number of programs using smart meters Help utilities, customers cut usage

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From the Associated Press

The Associated Press (AP) examined the growing number of programs involving smart meters and how utilities — and also families — are beginning to become aware of how they can save money. In a dispatch from Elizabethtown, Pa., the AP looked at PPL's program, which sets rates higher during the hours of peak demand, roughly following the curves of supply and demand in the wholesale energy markets. "The pilot programs are the first step in what's expected to be a complete transformation of the century-old power grid. Once a silent supplier of electrons to homes and businesses, meters are gaining the ability to talk back — not only to power companies, but to consumers and their appliances," the AP wrote.

The AP reported utilities have a number of options available, but often focus on a "menu of rate plans. In its pilot, PPL offered something referred to as a time-of-use rate, where set periods of higher prices contrast with periods of lower prices. In this case, pilot participants paid more between noon and 7 p.m. on weekdays and less the rest of the time. Some rates, called real time, change throughout the day as the wholesale price floats up and down. People who sign up for such plans may receive signals, such as e-mails or cell phone messages, to tell them prices are climbing dangerously."

Using smart meters does not always result in savings, particularly if consumers are uneducated about how to respond to the new influx of data. And critics say other circumstances — like a disruption of natural-gas supplies to power plants in Illinois because of Hurricane Katrina — contributed to higher average participant charges in Commonwealth Edison's service area during a pilot program involving smart meters. In PPL's area, the AP reported, "about one in four PPL customers accumulated bigger bills than they would have logged on the average rate."

Editor's note: APS installs approximately 7,000 electric meters per month in our service territory that use "smart meter" technology. The new meters look no different than their reliable predecessor, but come with the ability to communicate with the utility and eventually offer a level of functionality limited only by the imagination.

PPL is headquartered in Allentown, Pa. It controls more than 11,000 megawatts of generating capacity in the United States and delivers electricity to about 4 million customers in Pennsylvania and the United Kingdom.