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December 7, 2020

VIA ELECTRONIC DELIVERY

Aida Camacho-Welch, Secretary
New Jersey Board of Public Utilities
44 South Clinton Avenue, 9th Floor
P.O. Box 350
Trenton, New Jersey 08625-0350
Board.secretary@bpu.nj.gov

**RE: Notice of Advanced Metering Infrastructure (AMI) Work Session;
Docket No. EO20110716**

Dear Secretary Camacho-Welch:

Pursuant to the New Jersey Board of Public Utilities Staff ("Staff") Notice issued November 10, 2020 in the above captioned docket ("Notice"), attached are the written comments of Public Service Electric and Gas Company ("PSE&G" or the "Company") on the AMI Work Session.

Consistent with the Order issued by the Board in connection with *In the Matter of the New Jersey Board of Public Utilities' Response to the COVID-19 Pandemic for a Temporary Waiver of Requirements for Certain Non-Essential Obligations*, BPU Docket No. EO20030254, Order dated March 19, 2020, this document is being filed electronically with the Secretary of the Board and the New Jersey Division of Rate Counsel. No paper copies will follow.

Very truly yours,

A handwritten signature in blue ink that reads "Katherine E. Smith". The signature is fluid and cursive, with a long horizontal stroke at the end.

Katherine Smith

**STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES**

NOTICE OF ADVANCED METERING :
INFRASTRUCTURE (AMI) WORK SESSION : BPU Docket No. EO20110716

Pursuant to the New Jersey Board of Public Utilities Staff (“Staff”) Notice issued November 10, 2020 in the above captioned docket (“Notice”), Public Service Electric and Gas Company (“PSE&G” or the “Company”) provides its comments on the topics set forth in the Notice and addressed during the AMI Work Session panel discussion held on November 23, 2020.

I. Introduction

Staff convened the one-day AMI Work Session panel discussion and invited written comments “to hear from interested stakeholders how the Board can ensure that AMI is cost-effectively leveraged to meet its full promise.” This discussion is timely, as the Board in February of 2020 issued an order finding that “AMI has the potential to benefit the distribution system, streamline and modernize utility operations, provide an enhanced customer experience, and benefit the environment”, and directed the State’s electric distribution companies (“EDCs”) that had not already done so to file AMI implementation petitions by September of 2020.¹

PSE&G fully supports the Board’s and the State’s goals for statewide deployment of AMI, as indicated by PSE&G’s own commitment to fully deploy AMI smart meters throughout its service territory on an accelerated basis over the next several years. PSE&G’s AMI installation plan was filed in 2018 and is currently pending approval before the Board.² One New Jersey electric distribution utility has already installed AMI meters, and two others recently filed their AMI deployment plans for Board approval in separate dockets, pursuant to the February 2020 AMI Order. While the Notice indicates that the AMI Work Session would not be made part of the evidentiary records in the three pending EDC AMI proceedings, PSE&G believes that third party access to AMI data is an important issue common to AMI implementation that should be developed on a statewide basis to ensure uniformity and cost efficiency. Moreover, PSE&G supports implementation of AMI in a manner that ensures customers will broadly benefit now and in the future from the diverse functionality of AMI technology. However, the means of maximizing benefits may vary from EDC to EDC and should not necessarily be standardized. The issues that are the subject of the AMI Working Group notice should be considered while EDC plans for AMI are being approved and implemented, and should not result in delay of AMI deployment. PSE&G recommends that Board Staff continue this docket to form an active AMI Working Group that will prioritize development of AMI data access standards and mechanisms.

¹ *I/M/O The Petition of Rockland Electric Co. for Approval of an Advanced Metering Program; and For Other Relief*, BPU Docket No. ER16060524, Decision and Order (Feb. 19, 2020) (“February 2020 AMI Order”).

² *I/M/O The Petition of Public Service Electric and Gas Company for Approval of its Clean Energy Future-Energy Cloud (“CEF-EC”) Program on a Regulated Basis*, BPU Docket No. EO18101115 (“PSE&G AMI Petition”).

II. Approval and Commencement of AMI Meter Installation Should Move Forward While Ancillary Policy Issues Are Considered

Board Staff's consideration of data access issues and maximization of AMI benefits need not delay planned EDC AMI deployments. The benefits of AMI are well-recognized and have been acknowledged by the Board in its February 2020 AMI Order. The goals of achieving statewide AMI deployment as soon as possible and maximizing those benefits are not in conflict and can proceed on parallel tracks.

Policy issues such as AMI data access and ways to enable future-state AMI capabilities are important issues for the long term enhancement of smart meter customer benefits; however, these issues are ancillary to the delivery of the known and achievable benefits AMI will deliver in the relatively near term, and can be adequately considered while installations are ongoing. PSE&G is ready to begin accelerated AMI deployment that will occur over the next several years. PSE&G's proposed AMI meter deployment schedule is back-loaded, and installation of 81% of the 2.2M smart meters being installed will occur in 2023 and 2024. The schedule is intended to enable delivery of known and achievable AMI benefits³ within approximately 5 years. Some third party suppliers ("TPSs") have suggested, in both PSE&G's AMI Petition proceeding and during the AMI Working Group panel discussion, that data access issues and consideration of future AMI capabilities and applications should be resolved prior to beginning AMI deployment, a suggestion that would unnecessarily delay the realization of known and achievable AMI customer benefits. It is critical that EDCs proceed with deployments while ancillary issues are considered. At least one New Jersey utility has already installed AMI, and there is no reason why installations by the other New Jersey utilities should not begin while these issues are resolved concurrently.

There is not a need for data access standards to be in place prior to commencing AMI installations by the EDCs that have not already installed AMI. In fact, AMI deployment occurred in Maryland and Pennsylvania while similar policy issues were resolved in parallel with, and not prior to, installation activity. In Maryland, when some utilities had already begun AMI deployment and others were seeking approval for their AMI deployment plans, the Maryland Public Service Commission directed a working group to convene comprised of utilities that had already been authorized and those seeking authorization to deploy to develop "one general methodology" for data access, but did not delay pending petitions nor seek to slow down or undo prior authorized roll-outs.⁴ PSE&G's back-loaded meter deployment schedule also facilitates consideration of data access issues prior to when the majority of AMI meters will be deployed (and when the critical mass of customers will likely be shopping for AMI-enabled TPS or energy management products and services), without delaying the first phases of deployment.

Importantly, the existing technology capabilities enable consideration of broad future benefits. As discussed by Gregg Edison of PA Consulting, a panel speaker during the November

³ These benefits include but are not limited to: virtually eliminating the need for customers to notify PSE&G that their power is out; enabling more efficient outage response; improving bill accuracy by increasing actual versus estimated meter readings; lowering energy bills by providing usage data that can drive energy efficiency and utility operational efficiencies; and improving the environment by reducing the number of vehicle trips required to operate and managing the system, reducing harmful greenhouse gas emissions. See PSE&G AMI Petition.

⁴ *I/M/O Baltimore Gas and Electric's Energy Efficiency, Conservation and Demand Response Programs Pursuant to the Empower Maryland Energy Efficiency Act of 2008*, MD PSC Case No. 9154, Order No. 87285, 2015 WL 8529284 (Md. P.S.C.) at *15 (Order effective Dec. 8, 2015).

23 AMI Work Session,⁵ AMI technology has now sufficiently advanced to a state that AMI meter products on the market are capable of delivering broad benefits in the relatively near-term that go well beyond traditional measurement/billing functionality, and future capabilities will not be impeded by allowing meter installations to move forward. Indeed, as Mr. Edeson also noted, PSE&G's AMI proposal is designed to both deliver 22 AMI use cases through the implementation of CEF-EC, plus provide the technical foundation to enable many more potential future use cases.⁶ There is simply no reason why customers should have to wait *over six* years for the real benefits AMI can deliver if installations begin now while the Board considers best practices for future use cases. Moreover, the Board should recognize that, particularly regarding a high-tech subject like AMI and the smart grid in general, there will always be new technology "right around the corner." If the Board were to slow down or reverse forward movement in the AMI transition based on the promise of new technology, the necessary transition to AMI would surely never take place. New Jersey should follow the same path as other neighboring states, and should not further delay the realization of the majority of AMI benefits to New Jersey customers while considering ancillary policy issues that can more appropriately be addressed along-the-way.

III. Data Access Should Be Developed In A Statewide Proceeding With Issues Prioritized For Consideration, Beginning With Establishing Uniform Data Access Protocols, Mechanisms, Processes, And Cost Recovery

Both Pennsylvania⁷ and Maryland utilized a statewide stakeholder process to develop and implement supplier AMI data access. The Company is open to developing data access standards and mechanisms. However, it would be beneficial and most appropriate to consider that plan in a larger stakeholder setting, similar to the process New Jersey utilized to implement Retail Choice and subsequent modifications to retail choice business rules, where the Board created business working groups to develop business process recommendations and a separate technical group to develop the detailed technical data transfer protocols. These issues should not be decided piecemeal in each EDC's AMI petition, where not all TPSs are participating and only the niche needs of segments of that community would be considered.⁸ A collaborative proceeding would be the right venue to consider if and how the existing Green Button Connect standard and its inherent customer protections may fit into a standardized data access plan. Furthermore, a stakeholder proceeding could possibly utilize the data access protocols in place in other jurisdictions with AMI as a guide or starting point for discussion.

As stated by multiple panelists during the AMI Work Session discussion, there is no need to re-invent the wheel. While development of data access standards will require some additional

⁵ As Mr. Edeson stated during the panel discussion, Mr. Edeson serves as PSE&G's consultant and was involved in developing PSE&G's AMI implementation plan.

⁶ See PSE&G AMI Petition, updated April 1, 2020, at 5-7. PSE&G's AMI Petition sets forth 70 AMI use cases that could all be enabled. Twenty-two of the use cases are the subject of the Company's petition for approval and are achievable in approximately five years, and 48 are potential future use cases that are enabled by the as-proposed AMI deployment.

⁷ See *Smart Meter Procurement and Installation*, PA PUC PUC Docket No. M-2009-2092655 at p 29, 2012 WL 6839305 (Pa.P.U.C.) (pagination not available) (Final Order entered Dec. 6, 2012) (directing an "Electronic Data Exchange Working Group" to include all EDCs required to submit smart meter technology to work with interested stakeholders).

⁸ For example, in PSE&G's AMI Petition proceeding, the evidentiary stage is near completion, and only a handful of third-party market participants (most of whom are part of a single corporate entity) are intervenors in the proceeding, as compared to the hundred-plus suppliers operating in PSE&G's service territory.

time, it will provide suppliers with more surety of data access availability across New Jersey, and will provide for uniformity in designing systems and developing products for New Jersey residents and businesses. The benefits of considering data access in a stakeholder process should outweigh any desire to rapidly implement any EDC-specific data plan that could be inconsistent with the plans of other EDCs in New Jersey, or to further delay AMI deployment by EDCs ready to begin.

It is also crucial that the issues to be considered through the stakeholder proceeding be prioritized at the outset, with the top priority being to develop the AMI data access standards. Standards and mechanisms to provide AMI data access to TPSs and energy marketplace consultants are seemingly desired to enable TPSs to develop innovative products and services. It therefore seems reasonable to focus efforts on data access first. Other issues that a handful of TPSs have raised, such as the use or application of AMI data in the load settlement or Peak Load Contribution (“PLC”) processes, or the re-consideration of supplier consolidated billing, should be subsidiary to the issue of data access and should be held for subsequent evaluation, taking into account overall need, the broad interests of the parties, as well as costs.

Regarding load settlement processes and PLC, implementation of changes is complex and would require significant, and likely costly, modifications to the EDCs’ related systems and processes. Whether and how the larger TPS community would make use of such changes, costs, and the potential benefits to customers should be thoroughly vetted.

Regarding supplier consolidated billing, it is not clear at this time whether a majority of the TPS community supports devoting the time and resources required to develop implementation standards. Working groups to address billing options for TPSs over the past twenty years have focused on utility consolidated billing rather than implementation of supplier consolidated billing. While given several past opportunities, TPSs have not sought to develop the rules and processes necessary to implement supplier consolidated billing to date. Issues that would need to be considered to implement supplier consolidated billing include, but are not limited to: billing accuracy issues, regulatory requirements for utility bills, customer service, disconnect/reconnect policies and procedures, TPS creditworthiness requirements, data transfer protocols specific to billing, combination gas and electric customer billing issues, customer eligibility for and processing of deferred payment arrangements, customer deposit processes, customer contracts, purchase of receivables rules, and marketing and advertising. If there is interest and sufficient commitment, supplier consolidated billing should only be considered after AMI data access issues has been resolved, and only if and when the Board revisits the whole subject of billing options and purchase of receivable programs and processes.

IV. Data Access Issues Should Consider Customer Consent And Balance Benefits With Costs To Implement

As the issues of consumer protection and customer consent are statewide issues, a collaborative stakeholder process would ensure that these issues are thoroughly vetted along with the general question of data access, thus enabling sufficient time for the Board to consider these issues comprehensively. The stakeholder process should focus on establishing uniform data access protocols, mechanisms or processes – and do so in a manner that carefully considers customer consent and authorization, avoids duplication of solutions, provides for the optional inclusion of AMI data in transactions with retail suppliers, and balances and prioritizes the broad interests of the parties, so as to efficiently manage the development and implementation of data access

solutions, and related costs. Customer consent is an important issue that should be carefully considered and that should be uniform across utilities to avoid customer or TPS confusion between service territories and to be in compliance with the expanding customer data privacy laws and regulations. Indeed, the AMI Working Group speaker that Board Staff invited on Nov. 23 to give an AMI education session, Chris Villarreal of R Street, highlighted customer consent as the primary consideration that should be addressed. In light of the importance of customer consent, both Pennsylvania and Maryland required consideration of customer consent to data access in a broad stakeholder setting that occurred after some utilities had already begun meter installations and in parallel to other utilities' AMI installations, as noted above (as opposed to EDC by EDC).⁹ Regarding costs, PSE&G and other EDCs would need to know the proposed standards and mechanisms and types of data to be provided in order to develop cost estimates. Mechanisms for data access and their costs must then be considered against the benefits of specific alternatives to determine an optimal solution that is reasonably balanced.

V. EDCs Should Have Flexibility To Design AMI Programs To Maximize AMI Benefits

The Board should avoid mandating specific technical standards or generically requiring specific AMI functionality for AMI meters. Each EDC has different operational concerns and diverse customer needs in its own service territory and should have the flexibility to design short and long term AMI programs, sometimes referred to as “use cases”, to best meet its own customer needs. There are multiple methods and technologies to realize AMI benefits that can vary from EDC to EDC because of current and planned infrastructure. Unlike AMI data access issues, operational requirements for AMI infrastructure need not necessarily be uniform statewide in order to maximize broad AMI benefits. Setting blanket standards or pre-requisite requirements risks stifling innovation, creativity, and service-area tailored applicability in the design of each EDC's program and could create unnecessary cost and delay in realizing AMI benefits.

At this time, the three EDCs that have not yet begun a broad deployment of AMI infrastructure have fully-developed AMI implementation proposals pending before the Board that include detailed business plans for delivering benefits of AMI technology to all New Jersey customers over the next several years as well as potential plans for unlocking future customer benefits over the long term. The parties in these cases represent diverse interests, including Board Staff, the New Jersey Division of Rate Counsel, large customer interest groups, TPSs, and other third party energy services market participants, AMI market services and infrastructure vendors, and environmental advocacy groups. In PSE&G's case specifically, which is in a more advanced procedural stage than the other two cases, the voluminous evidentiary record already includes debate over quantification, delivery, and maximization of AMI benefits. The records in these cases will be sufficient for the Board to determine, for each EDC, whether the implementation plan will enable sufficient customer benefits now and in the future. Unlike data access issues that reasonably should be standardized, how the EDCs could operationally maximize benefits can vary, and the Board should not mandate the method of benefits realization.

⁹ Notably, the PA PUC's 2012 Order references the regulatory requirements in Pennsylvania for customer consent that are similar to New Jersey's consent requirements and states, “[t]he intent of this Order is to facilitate the establishment of a standard electronic format for providing customers and their designated third-party representatives with direct electronic access to the customer's electric usage and price data, **with the customer's consent.**” *Smart Meter Procurement and Installation*, at 2 (PA PUC 2012) (emphasis added).

VI. Conclusion

PSE&G thanks the Board and Staff for its actions to advance statewide AMI deployment and looks forward to continued collaboration with Board Staff and other public and private stakeholders toward building a more modern, more reliable, and cleaner energy future for New Jersey's utility customers through timely deployment of AMI. PSE&G does not oppose the development of reasonable data access standards or other changes to existing processes that might unlock AMI benefits to New Jersey's electric customers as deployment of AMIs continues in the State, but what is best for customers and third-party market participants is alignment on data access rules without mandated technologies or delay to smart meter deployment. The Company is committed to collaborating with stakeholders, including TPSs, to develop an effective data access and sharing framework. PSE&G urges Staff and the Board, however, to ensure that these issues be given adequate consideration on a statewide basis, with solutions prioritized and developed based on the needs of customers, utilities, and the TPS/consultancy community while allowing AMI meter deployment to proceed.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Katherine E. Smith", followed by a long horizontal flourish.

Katherine E. Smith