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PUBLIC UTILITY COMMISSION
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Public Utility Commission of Texas
Chairman DeAnn T. Walker
Commissioner Arthur C. D' Andrea
Commissioner Shelly Botkin
1701 N. Congress Avenue 7th Floor
Austin, TX 78701

VIA HAND DELIVERY

Re: PUC Docket No. 47472 – Commission Staff’s Petition to Determine Requirements for Smart Meter Texas – GridPlus Texas Inc. (“GridPlus”) Response to the Joint Utilities’ Motion for Rehearing (“Motion for Rehearing”)

Dear Chairman and Commissioners:

GridPlus, a newly certified REP planning to utilize smart meter technology to provide innovative service offerings, urges the Commission to deny the Motion for Rehearing for the reasons expressed below.

GridPlus has not been involved in this proceeding, not due to any level of disinterest, but rather because it was not formed as a corporate entity until December 22, 2017,¹ thus it was not in a position to intervene. At this time, however, GridPlus is concerned about the implications that would occur if the Motion for Rehearing was approved, therefore, GridPlus respectfully requests the Commission not adopt the Motion for Rehearing. Under the Administrative Procedure Act, Tex. Gov’t Code § 2001.146(b) (West 2016 & Supp. 2017), a reply to a motion for rehearing must be filed no later than the 40th day after the agency order is signed. The Order was filed on May 29, 2018, so this response is being timely filed prior to the July 8, 2018 deadline.

If the Commission grants the Motion for Rehearing and amend the Commission’s Order in this docket it will completely eliminate the Joint Utilities’ obligation to provide HAN functionality, whether through SMT or the Joint Utilities’ advanced meter systems. And without HAN functionality, the wireless connectivity of smart meters via ZigBee and the like will end.

Granting this complete waiver of HAN would cause severe unintended consequences to the ERCOT market and will prevent existing REPs and new entrants, like GridPlus, from offering new products that rely on real-time usage data. Entirely removing HAN will make the ERCOT market substantially

¹ GridPlus also just received its REP certificate June 21, 2018. *Application of GridPlus Texas Inc. for a Retail Electric Provider Certificate*, Docket No. 47947, Notice of Approval at 3 (Jun. 21, 2018).

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less appealing for those who want to build robust, distributed grid infrastructure that will benefit all market participants, including end-use customers. Additionally, granting the Motion for Rehearing will result in smart meters becoming “not so smart meters” eliminating much of the potential smart meters are just now beginning to realize due to advances in synergistic technologies. By eliminating the direct, two-way communication functionality between the customer (or their REP) and their utility’s meter, the smart meter will no longer be able to accomplish many of the tasks for which the smart meters were originally purchased and deployed.

GridPlus believes this would stifle the market’s progress because it would make it impossible for REPs to offer new products such as real-timing billing and controllable load resource participation. Because of this, GridPlus respectfully requests that the Commission deny the Motion for Rehearing and clarify that the granted waiver will not go into effect until such time that SMT 2.0 or other new deployments provide a truly adequate substitute for HAN. An adequate substitute for current SMT functionality, including HAN, must be created and deployed before HAN is eliminated and an adequate substitute would be better formulated during a formal rule making proceeding.

Discussion

Granting the Motion for Rehearing, which would effectively remove the two-way connectivity of all smart meters, would be contrary to the legislature’s intent² in authorizing the purchase and deployment of the smart meter technology and the PUC’s operational vision for the advance meter system.³ Both

² The Legislature demonstrated that it understood the importance of the deployment of advance meter infrastructure and that in order for it to work properly it had to include more granular meter reads *and communication functionality to relay the enhanced data streams to the customer’s REP so the REPs could provide more choices for customers and allow customers to better manage their energy use and control cost.* See Tex. H.B. 2129, 79th Leg., R.S. (2005). (In recognition that advances in digital and “*communications equipment*” and technologies, including new metering and “*meter information technologies,*” have the potential to increase the reliability of the regional electrical network, “*encourage dynamic pricing and demand response,*” make better use of generation assets and transmission and generation assets, and “*provide more choices for consumers,*” the legislature encourages the adoption of these technologies by electric utilities in this state) (emphasis added). See also, Texas H.B. 3693, 80th Leg. R.S. (2007) (Section 39.107, Utilities Code, is amended...to read as follows: ...it is the intent of the legislature that net metering and advanced meter information networks be deployed as rapidly as possible “*to allow customers to better manage energy use and control costs, and to facilitate demand response initiatives*”) (emphasis added).

³ The PUCT demonstrated its understanding of the power of the advanced meter infrastructure when in 2008 and 2010 it reported to ERCOT and the 82nd Legislature, respectively, additional features and benefits.

“Underlying Principles [of Advance Metering Infrastructure “AMI” aka advanced meter system]:

- *AMI will help to “level the playing field” for REPs.*
- *AMI links the wholesale and retail markets and will help them continue to mature.*
- Greater price transparency as a result of AMI should drive prices down in the long run.
- *Uncertainty over resources and variability in wholesale prices can be reduced by AMI due to more granular data availability enabling more accurate forecasting and settlement.”*

“Deployment of Nodal Design for Wholesale Market...*Because of AMI’s two-way communication capabilities,* REPs will be able to offer end use customers new products taking advantage of the new Nodal Wholesale Market design.”

“Advance Meter System Mandatory Functions: ...*Direct, real-time access for customer and retailer to meter data.*” See Christine Wright, Advanced Metering Implementation Team Update at 11, 12, & 15 (Apr. 4, 2018) available at http://www.ercot.com/content/meetings/tac/keydocs/2008/0404/05_AMIT_Update_to_TAC_Final.ppt (emphasis added). See also Report to the 82nd Texas Legislature, A Report on Advanced Metering as Required by House Bill 2129, Public Utility Commission of Texas (Sept. 2010) stating:

“The Commission believes that the deployment of AMI is a critical component of the evolving Texas electric market. As deployment occurs, it can enable market-based demand response, help the market to mature, yield

the legislature and the PUC understood the importance of more granular data (15-minute interval data) *and they also understood the importance of making this data available in real-time*. This is why these two concepts were memorialized in the law and in subsequent PUC rulemakings.

Many of the smart meter features and benefits contemplated require that usage data be measured in 15-minute intervals *and that the usage data be made available in real-time*. For example, a smart meter cannot communicate with “...devices inside the premises, including but not limited to: usage monitoring devices, load control devices, prepayment systems, [or real-time payment systems]”⁴ if there was no way to wirelessly connect to the smart meter to collect interval data in real-time.

As HAN functionality currently exists today under 16 TAC §25.130(g)(1)(J), it can provide energy usage reads every minute or less, wirelessly, through ZigBee technology and the like and through the distributed network of advanced meters currently deployed, totaling over 7 million. These advanced meters can also provide energy usage reads *directly* to the customer or its REP instead of back to through the TDU’s systems, which is what SMT 2.0 would do. The HAN functionality today is fully capable of supporting all of the features and benefits the legislature and the PUC envisioned.

As GridPlus currently understands the settlement stipulation between the parties, it will result in the creation of SMT 2.0 which will be a central database controlled by the Joint Utilities, it will produce a maximum of two on-demand reads per hour per ESIID, 24 on-demand reads per day per ESIID and then process 3,000 total on-demand reads per TDU per day subject to network traffic, including but not limited to market orders, interval data collection, planned and unplanned outages. This means a REP will have one point of connection to the meter data instead of over 7 million independent connections; one meter read every 30 minutes instead of every minute or less; and, a maximum of 3,000 usage requests per day per TDU instead of near unlimited requests. GridPlus does not believe this is an adequate substitute. The replacement of current HAN functionality with SMT 2.0 will remove the support mechanism (wireless connectivity) for many of the envisioned smart meter features and benefits and with it being a centralized system, it will fail to support the same number of users that can be served by the currently implemented system.

Further, the costs of a centralized system to attempt to provide HAN-like capabilities will be an additional cost borne by all market participants. In the current HAN-enabled system, any access to real time data, storage and bandwidth costs will be entirely borne by the REP. This is a more scalable and equitable design, and it is already in place and paid for.

The Order is also unclear as to when the Joint Utilities’ obligations to support HAN will be eliminated. Without clarification as to this timing, the market could end up being in a situation where the adequate

savings for utilities, and create efficiencies in market processes for REPs and ERCOT. ***Most importantly, AMI can enhance service quality to retail customers in several areas:***

- expediting connection and disconnection of service;
- ***providing a prepayment option that will reduce deposit requirements;***
- ***giving customers the tools to help manage energy costs;***
- enabling quicker service restoration following an outage; and ***helping balance the dynamics of supply and demand.*** (emphasis added).

⁴ See Christine Wright, Advanced Metering Implementation Team Update at 18 (Apr. 4, 2008).

substitute is not yet deployed but the HAN requirement has been waived. So, there is a possibility that there will be no HAN functionality or SMT 2.0 functionality until January 2020, or later.

Further, The Joint Utilities have also argued "...that the popularity and potential usage of HAN...have not materialized,"⁵ This is due to multiple outside factors. First, for end-use customers, SMT has been difficult to set up and use and, second, the technology needed to gather the data through the HAN (i.e., through ZigBee and the like) and then to take action to curtail load based on market conditions has not existed. GridPlus has spent significant engineering resources to develop that technology and it wants to use that technology to bring products supported by the delivery of usage data in real-time in the ERCOT market. GridPlus is confident that more technology will be developed in the future if the current HAN functionality remains in place or an adequate substitute is actually implemented.

For all of these reasons above, GridPlus respectfully requests that the Commission deny the Motion for Rehearing and require the Joint Utilities to continue with their HAN obligations until an adequate substitute is created through a formal rule making proceeding, and then completely deployed. If the Commission denies the Motion for Rehearing and directs Staff to open a rule making proceeding, GridPlus commits to participate in the proceeding and use its utmost good faith with all parties concerned to reach agreement on the business requirements.

A GridPlus representative will be available at the next Open Meeting to answer any questions.

Respectfully submitted,

GridPlus Texas Inc.

By: _____

John Werner, CEO

⁵ *Commission Staff's Petition to Determine Requirements for Smart Meter Texas, Joint Request for Waiver of 16 TAC § 25.130(g)(1)(J) and Related Requirements in Prior Commission Orders; Joint Motion to Admit Supporting Testimony and Affidavits into Evidence; and Joint Motion for Approval of Revised Proposed Order, Direct Testimony of Donny R Helm, at 5 (May 2, 2018).*