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RULEMAKING RELATING TO
ADVANCED METERING

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PUBLIC UTILITY COMMISSION
OF TEXAS

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PUBLIC UTILITY COMMISSION
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REPLY COMMENTS OF THE JOINT NON-ERCOT UTILITIES

Southwestern Electric Power Company (SWEPCO), El Paso Electric Company (EPE), Entergy Texas, Inc. (ETI), and Southwestern Public Service Company (SPS) (collectively Joint Non-ERCOT Utilities) file these Reply Comments pertaining to the Public Utility Commission of Texas' (Commission) Proposal for Publication in Project No. 48525, *Rulemaking Relating to Advanced Metering*. These comments are timely filed.

I. INTRODUCTION

The Joint Non-ERCOT Utilities understand the purpose of the proposed amendments to 16 Tex. Admin. Code (TAC) §§ 25.5, 25.130, and 25.133 is to conform the rules to recent bills from the 85th and 86th Legislatures, which extended the applicability of Public Utility Regulatory Act (PURA) § 39.107(h) and (k) to electric utilities providing service in areas outside of ERCOT by adding or amending PURA §§ 39.452, 39.5521, 39.402, and 39.5021. The Joint Non-ERCOT Utilities offer the following in reply to certain comments filed in this project in response to the Proposal for Publication.

**II. REPLY TO CERTAIN REVISIONS PROPOSED BY
ALLIANCE FOR RETAIL MARKETS**

§ 25.130(g)(1)(E)

Alliance for Retail Markets (ARM) proposes revisions to the proposed rule to retain certain language in the rule pertaining to interval data recorders (IDRs). ARM's comments and arguments on this topic focus squarely on the current practices of ERCOT utilities, Smart Meter Texas (SMT), and ERCOT Protocols and load profiles. If the Commission were to adopt this

suggestion from ARM, the Joint Non-ERCOT Utilities request that it be made applicable only to SMT.

§ 25.133(d)(2)

ARM addresses the termination of non-standard metering service by a customer, suggesting to add “until the electric utility has terminated service” after “the customer will remain responsible for all costs related to non-standard metering service.” The Joint Non-ERCOT Utilities recognize that certain costs incurred by a utility to provide non-standard metering service to a customer could cease when the customer terminates non-standard metering service. For example, monthly meter reading charges that occur to provide non-standard metering service would cease once the non-standard meter is replaced with a standard, advanced meter. A utility should not seek to continue recovering such costs from the customer. However, ARM’s proposal could have unintended consequences in that some capital costs incurred by the utility to provide non-standard metering service in the first place may not yet have been fully recovered by the utility by the time the customer terminates non-standard metering service.

For example, in making non-standard metering service available, a utility will incur costs for making back office programming changes to provide the new service, and when a specific customer requests non-standard metering service, the utility will incur costs to obtain and install a non-advanced meter (or to inspect an existing non-advanced meter) as well as to set up the customer in its billing system. Recovery of at least some of those costs could possibly occur over the life of the non-standard meter. When the customer terminates non-standard metering service, the utility will remove the non-standard meter and may avoid some costs discussed above. However, the utility may be left with capital costs that have not been fully recovered. If capital costs remain yet the customer who had requested that the utility acquire and install the meter is no longer responsible for its costs, then the utility or even other customers would become responsible.

The Joint Non-ERCOT Utilities understand this potential problem has been generally mitigated in the existing tariffs for non-standard metering service by requiring a payment up front for a non-standard meter that covers most if not all of the up-front costs, and paragraph (f)(2) appears to provide some flexibility in recovering fixed costs between up-front costs and ongoing costs. Even so, the rule should retain flexibility for utilities and the Commission to

determine the best approach by which to recover non-standard metering service costs from the customers who cause the costs to be incurred. The Joint Non-ERCOT Utilities therefore recommend the Commission retain the language in 16 TAC § 25.133(d)(2) as it appears in the Proposal for Publication.

III. REPLY TO CERTAIN REVISIONS PROPOSED BY **TEXAS SOLAR POWER ASSOCIATION**

§ 25.130(c)

In a single sentence, Texas Solar Power Association (TSPA) appears to propose a requirement that all utilities' data be accessible in a single, standardized format to allow third parties to develop software to access customers' metered data more easily and securely. TSPA does not attempt to consider or quantify the cost that would be imposed to comply with such a requirement, and it ignores that 16 TAC § 25.130(j) already requires that access to the web portal be secure. In the absence of a clear demonstration of benefits to customers served by utilities outside of ERCOT, the Joint Non-ERCOT Utilities offer that the potentially sizable cost to utilities and their customers of requiring a certain standardized data format would outweigh the benefit to customers, if any.

§ 25.130(g)(1)(E)

In the Proposal for Publication, Commission Staff has proposed that advanced meter data move from minimum hourly intervals to 15-minute intervals. TSPA further suggests the Commission should move to 5-minute intervals. TSPA points to the ERCOT wholesale market's settlement interval in support of this proposal. However, the Joint Non-ERCOT Utilities do not understand what would be the value to their retail customers of building the data storage and communication capability to enable twelve intervals each hour when that is not necessary for settlements in their service areas. The Joint Non-ERCOT Utilities disagree with TSPA's proposal, and instead support the new 15-minute interval in the Proposal for Publication.

§ 25.130(g)(1)(F) and (g)(1)(G)

TSPA encourages on-demand reads (ODRs) to be available programmatically via

software in addition to a web portal's graphical user interface (GUI). The proposed rule contemplates that an electric utility may provide access through an application programming interface (API). Keeping the rule permissive with respect to API-based ODRs is the better approach considering that GUI ODRs are mandatory. That is a more reasonable balance of facilitating near real-time access to meter data and the costs and requirements of each utility's communications and IT infrastructure. Without a clear demonstration of what benefit a non-ERCOT utility customer would receive as a result of mandating API-based ODRs, the Joint Non-ERCOT Utilities assert that *requiring* ODRs to be available programmatically is beyond the scope of what the Advanced Metering System (AMS) rule is intending to accomplish with respect to allowing a customer to share AMS usage data with a third party.

TSPA also argues against the Proposal for Publication's exception for network traffic. The Joint Non-ERCOT Utilities point out that a utility cannot itself affect the activity within a localized area. If, for example, a third party conducts a door-knocking campaign to encourage ODRs by customers of metered data, the number of read requests from that concentrated geographic area could rise notably and at times outstrip local network capabilities. Increased demand for ODRs during an outage is similarly a significant concern, and the utility must retain the ability to protect core network data flow, particularly with respect to sensors and any distribution automation devices on the grid during an outage. An exception for network traffic provides reasonable protection against sudden increased demand on the communications system to protect core processes and mitigates the risk of incurring unreasonable or unnecessary investment to expand the communication network solely to facilitate more ODRs, which to date are relatively few.¹

§ 25.130(j)(3)

The Joint Non-ERCOT Utilities do not agree with TSPA that metered data needs to become available as soon as it is received and before the data validation, editing, and estimating (VEE) process is performed. TSPA suggests revising "appropriate and reasonable standards and methods" for data access to "robust and reliable access." However, TSPA has failed to offer sufficient justification for providing raw metered data before that data has been verified,

¹ See, e.g., "SMT Reports" at <http://www.ercot.com/calendar/2020/1/7/189613-RMS>.

particularly in light of the availability of ODRs should a customer need AMS data sooner. The Joint Non-ERCOT Utilities question the usefulness and wisdom of providing data that has not been reviewed and that could change prior to becoming finalized, and therefore recommend TSPA's suggestion be rejected.

§ 25.130(k)

The Joint Non-ERCOT Utilities agree with TSPA's statement that advanced meters typically have multiple channels that could be used for the purpose of measuring distributed generation. However, the Joint Non-ERCOT Utilities do not agree that this capability in and of itself makes separate fees for distributed generation unnecessary or duplicative. If a utility charges an additional amount for a premise with distributed generation, that charge may include more than simply the cost of the meter needed to measure the generation. For example, the charge may include the cost of performing monthly manual billing calculations if the utility's billing system is not automated for distributed generation customers. Additionally, customers may want to see bi-directional data on their meter, which could result in additional cost to the individual customer due to any additional costs to provide this data on the meter. To eliminate all separate fees for distributed generation customers based on the deployment of advanced meters would overlook other costs the utility may be incurring outside of its normal equipment and processes to enable the integration of the customer into its billing and other functions. The utility and its other customers would then become responsible for on-going costs the utility is incurring specifically to serve the distributed generation customer. The Joint Non-ERCOT Utilities therefore recommend the Commission reject TSPA's proposal.

IV. REPLY TO CERTAIN REVISIONS PROPOSED BY
MISSION:DATA COALITION

§ 25.130(c)(5) and (d)(11)

Mission:data Coalition (Mission:data) proposes revisions to 16 TAC § 25.130(c)(5) and (d)(11) to require non-ERCOT utilities to provide additional customer information (such as the information pertaining to customer bills -- rate details, account numbers, amounts owed, etc.) to competitive service providers (CSPs) that is not required of SMT. The Joint Non-ERCOT

Utilities disagree with this proposal.

Mission:data argues that the reason this additional customer information is not provided through SMT is simply because TDUs are not party to such information, presumably because in ERCOT areas served by the SMT utilities, it is the REP who is the party to such information. Mission:data, however, fails to address the data privacy requirements of PURA and the Commission's rules in seeking to require the non-ERCOT utilities provide additional customer information to the CSPs.

In particular, Mission:data fails to address the requirements of PURA § 39.107(k) and 16 TAC § 25.44. The rule mirrors the statute in providing, "An electric utility shall not sell, share, or disclose information generated, provided, or otherwise collected from an advanced metering system or meter information network, including information used to calculate charges for service, historical load data, and any other customer information." The rule further provides that "the utility may share such information with an affiliated corporation as defined in 16 TAC §25.5 of this title (relating to Definitions), or other third-party entity, if the information is to be used only for the purpose of: (1) Providing electric utility service to the customer; or (2) Other customer-approved services." It should also be noted that PURA § 39.101(a)(2) provides that the Commission shall ensure retail customer protections that provide a customer with "privacy of customer consumption and credit information."

Thus, there is no blanket exception for sharing of customer information with CSPs absent customer approval, and no exception for sharing information beyond that specifically prescribed by the rule or statute. Sharing of customer information by the utility, when approved by the customer, is an exception to the general rule reflected in the first sentence of the rule that prohibits sharing. Customers, themselves, are of course free to share their meter data and any other information directly with a CSP at any time. Mission:data's proposed language appears to make the sharing of virtually all customer information by the utility, including customer information beyond the scope of that contemplated by the statute or rule, automatic via the web portal with customer approval of the sharing of meter usage data. This is inconsistent with PURA § 39.107(k), which governs data collected from an AMS, *i.e.*, usage data. AMS does not produce the additional customer data discussed by Mission:data. That data – customer records – is not affected by the deployment of AMS, and it is improper to use this proceeding to attempt to alter the means by which third parties may access customer records. In summary, Mission:data's

proposal to expand the scope of 16 TAC § 25.130 to include customer data accessible via the utility's web portal beyond usage data is inconsistent with the scope of PURA § 39.107(k) and the associated policies with respect to data privacy protection established by the statute and rules.

Mission:data's changes to the Proposal for Publication should be rejected.

V. REPLY TO COMMENTS REGARDING § 25.130(g)(1)(E) and (g)(1)(J)

Several comments were filed proposing that the Home Area Network's (HAN) provisions of the existing rule be retained so that customers can access real-time usage data directly from an AMS meter. The comments fail to provide a full picture of the issues surrounding HAN, and a consideration of the broader picture weighs against the proposals to HAN as a required minimum feature of an AMS.

In particular, Mission:data argues that the evidence from the ERCOT utilities in Docket No. 47472 shows that the cost to maintain the HAN is *de minimus*,² but Mission:data only cites SMT's costs and fails to identify the additional cost of the utilities associated with maintaining ongoing HAN functionality that will also be socialized to all customers, whether or not they utilize HAN.³ Furthermore, Mission:data fails to recognize that the HAN functionality that has been available through the ERCOT utilities' deployments for 10 years has not been widely adopted by customers. The testimony cited by Mission:data indicated that as of December 2017, there were only 7,858 HAN devices provisioned on SMT, and only 235 HAN messages were sent to devices in 2017, with the number of devices and messages decreasing by April 2018 to 7,668 HAN devices provisioned on SMT and zero HAN messages sent in the first quarter of 2018.⁴

² Citing *Commission Staff's Petition to Determine Requirements for Smart Meter Texas*, Docket No. 47472, Mr. Donny Helm, Second Supplemental Direct Testimony, at 6 (May 2, 2018).

³ The testimony cited by Mission:data (for the statement that SMT's HAN costs total only \$30,000 per year) explains one page later that "the ongoing cost for Oncor to provide support for the current level of HAN devices will be about \$200,000 per year" and that combining the internal costs of the other ERCOT utilities with Oncor's internal cost and the SMT's cost results in the total cost of \$563,576 per year to support HAN functionality. The testimony further outlines circumstances under which those costs could be expected to increase to \$60,000 annually for SMT and \$250,000 annually for Oncor. Although not overwhelming, these costs are not *de minimus* as Mission:data asserts. Furthermore, they become more significant when evaluated on the basis of cost per participating customer.

⁴ Helm Second Supplemental Direct Testimony, at 3.

In light of this evidence and other testimony regarding the market alternatives, including the ODR functionality enhancement that was included as a part of the proposed SMT 2.0 in that docket, the Commission accepted the settlement of the parties in approving the proposed SMT 2.0 and finding, among other things, that “[t]he functionality of on-demand read that would be available on SMT through the revised business requirements attached to the settlement agreement, as modified by this Order, provides an adequate substitute for HAN functionality.”⁵

For the same reasons, the Joint Non-ERCOT Utilities are opposed to the various comments objecting to eliminating “direct real-time” from Section 25.130(g)(1)(E). Removing HAN as a minimum feature in 25.130(g)(1)(J) but then still requiring the capability to provide “direct real-time” access to AMS meter data is inconsistent and would essentially continue requiring HAN functionality without so naming it. ODRs, which provide near real-time access, is the reasonable minimum capability that should be required considering that it appears few customers need or want HAN. To that end, however, HAN functionality should be considered permissive, and utilities that deploy HAN functionality either with the initial deployment or in the future should be permitted to recover the associated upfront and ongoing costs if it is shown that there is a sufficient level of customer interest or some other reasonable basis to justify socializing the costs. The investment decision should not, in any event, be driven by CSPs who are not sharing in the costs of the necessary infrastructure.

The argument in favor of retaining the HAN requirement and the associated “direct, real-time” access for non-ERCOT utilities is not supported and should be rejected.

VI. CONCLUSION

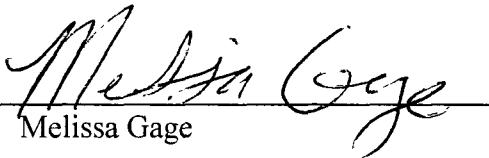
The Joint Non-ERCOT Utilities respectfully request that the Commission consider the foregoing reply comments. The Joint Non-ERCOT Utilities appreciate Commission Staff’s work toward developing the proposed rule amendments and look forward to continued participation in this rulemaking project.

⁵ Docket No. 47472, Final Order, at Finding of Fact 62E (Jul. 12, 2018).

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Respectfully submitted,

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