

Opinion: Utility benefits the most, should share cost of deploying smart meters

Smart electric meters — digitally networked for communication between consumers and utilities — bring basic benefits of ordinary technology to what had simply been a way to measure power usage.

Now that the two-year moratorium on state approval to deploy them has expired, all of New Jersey's big electric utilities are making plans for smart meters — including Atlantic City Electric.

When ACE earlier this year told The Press it would seek approval to switch to smart meters, we said the benefits of doing so would be well worth it. We also, however, advised customers to keep an eye on how it's done and what it costs. Now we know.

The utility wants to spend \$220 million installing the so-called “advanced metering infrastructure” for its 560,000 customers throughout South Jersey. It wants customers to pay for the project with an increase of about \$4.25 a month (or \$51 a year) in the average residential electric bill.

The many benefits and some risks of smart meters are well known.

For starters, utilities no longer have to pay for meter readings in person (typically outsourced nowadays), since the smart meter provides constant information on power usage.

The meters help utilities manage power supply, especially in this era when numerous solar installations are putting electricity into the system. They also detect theft and enable collection of data about consumers (which is why we urge New Jersey to set legislative limits on data collection to preserve privacy).

For customers, smart meters would help resolve power outages more quickly. They would show customer and neighborhood outage details beyond the scope of ACE power network monitoring.

They also could be used to offer programs to reduce customer energy use and therefore costs, and improve billing accuracy.

Atlantic City Electric figures smart meters would save the company \$220 million over 15 years. With such a payback, many people including the director of the Division of the Ratepayer think utilities should pay for smart meters themselves and recoup their investment over time.

Perhaps a compromise is in order.

ACE and its customers could split the cost of deploying smart meters, and then after 7.5 years customers could get a rate cut that reimburses them for their share of the cost.

With additional extra costs of state-mandated clean energy policies headed for their monthly bills, consumers would be glad to at least get a small break in several years.