

# STATE OF NEW YORK

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1998

2017-2018 Regular Sessions

## IN ASSEMBLY

January 17, 2017

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Introduced by M. of A. HEVESI -- read once and referred to the Committee on Energy

AN ACT to amend the public service law, in relation to mandating the public service commission to establish a smart metering pilot program

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative intent. The legislature hereby finds that it is  
2 in the economic and environmental interest of the citizens of the state  
3 of New York to create a smart meter pilot program ("pilot program")  
4 under the direction of the New York state public service commission  
5 ("the commission"). The pilot program is the first concrete step in  
6 realizing the economic, environmental, health, and safety benefits that  
7 smart meter technology has promised.

8 Smart meters empower customers to reduce their energy costs by provid-  
9 ing real-time pricing information, and will help the state meet its  
10 energy efficiency goals in a way that reduces costs for all energy  
11 users.

12 Given extreme weather events and natural disasters in New York, utili-  
13 ties have had to respond to an increasing number of power outages. Smart  
14 meters can provide both the state and the utilities a powerful tool that  
15 aids them in pinpointing outages quickly and accurately. Such technolo-  
16 gy promotes the state's goal of minimizing public health impacts and  
17 improving the reliability of the state's energy systems.

18 The legislature believes that a public service commission proceeding  
19 is the best venue to discuss and determine the technical aspects of grid  
20 modernization, including health and safety concerns. The legislature  
21 also, however, wishes to promote a policy whereby residential utility  
22 customers have the right to choose the type of meter that is placed on  
23 their premises. Within the territory where the pilot program or use of  
24 any other two-way meter capable of sending and receiving electronic data  
25 anywhere within the state is to take place, the responsible utility

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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1 shall offer an "opt-out" provision whereby a customer has the choice to  
2 retain their old meter so long as they pay a reasonable fee.

3 § 2. The public service law is amended by adding a new article 12 to  
4 read as follows:

## 5 ARTICLE 12

### 6 SMART METER PILOT PROGRAM

#### 7 Section 250. Creation of smart meter pilot program.

##### 8 251. Definitions.

##### 9 252. Implementation of pilot program.

##### 10 253. Pilot program; considerations by commission.

##### 11 254. Installation of smart meters.

##### 12 255. Cost-recovery.

13 § 250. Creation of smart meter pilot program. The commission shall  
14 commence a proceeding to establish a statewide smart meter pilot program  
15 ("pilot" or "pilot program"). The rules and requirements of the pilot  
16 program shall be established within twenty-four months of the effective  
17 date of this article. The pilot program will be designed to provide the  
18 commission with information to determine the best use of this technology  
19 for the benefit of ratepayers and the state's energy infrastructure.  
20 The commission shall allow the utilities reasonable cost recovery for  
21 the pilot program under a separate proceeding.

22 § 251. Definitions. As used in this article, the following terms are  
23 defined as follows:

24 1. "Smart meters" are defined as meters that record electrical  
25 consumption in real-time or over short intervals and communicate such  
26 information to the utility through a two-way information exchange.

27 2. "Utility" is defined as any electric utility with annual revenues  
28 in excess of two hundred million dollars from services provided to its  
29 customers.

30 § 252. Implementation of pilot program. 1. A pilot program, as set  
31 forth in this article, shall be implemented by each electric utility  
32 that maintains a service area within New York state. The pilot must  
33 comprise a minimum of one percent of the utility's customers in order to  
34 provide adequate sample size. Each utility charged with implementing a  
35 pilot program shall, within forty-eight months of the effective date of  
36 this article, provide the results of the pilot program to the commis-  
37 sion. The commission shall, in its initial proceeding, dictate to the  
38 utilities what information must be furnished from each utility to the  
39 commission with respect to the pilot.

40 2. After the commission receives its pilot program reports from the  
41 utilities, it shall issue a report of its evaluation of the pilot. The  
42 report must be published within fifty-four months of the effective date  
43 of this article. A copy of the report must be furnished to the temporary  
44 president of the senate, the speaker of the assembly, the chair of the  
45 senate energy and telecommunications committee and the chair of the  
46 assembly energy committee. The report shall also be made available to  
47 the public on the commission's website.

48 § 253. Pilot program; considerations by commission. 1. In establishing  
49 the pilot program, the commission must consider the following:

50 (a) the cost of the pilot program, including proposed benefits and  
51 cost-savings;

52 (b) the burden or benefit that a smart meter program would have on the  
53 grid;

54 (c) the expected life of the capital investments and costs of mainte-  
55 nance of the pilot;

1 (d) the expected "payback" or amortization period for capital invest-  
2 ments of the pilot;

3 (e) any environmental and/or grid-resiliency benefits of smart meters;  
4 and

5 (f) anything else the commission deems appropriate under the circum-  
6 stances.

7 2. Upon request of the commission, each utility shall provide to the  
8 commission a statement including:

9 (a) the amount and type of meters currently in operation within its  
10 service territory;

11 (b) the estimated cost of complying with the proposed pilot, including  
12 customer cost-savings;

13 (c) other benefits and detriments of the proposed pilot; and

14 (d) anything else the commission deems appropriate and necessary for  
15 implementing the pilot.

16 3. In order to fund the pilot program, the commission shall authorize  
17 reasonable cost-recovery in accordance with section two hundred fifty-  
18 five of this article.

19 4. The pilot program must address customer privacy, and must include,  
20 but is not limited to, the following considerations:

21 (a) what information is gathered from the customer;

22 (b) by whom it is read;

23 (c) where/how the information is transmitted and stored;

24 (d) length of time that the utility can hold the home's usage informa-  
25 tion;

26 (e) when and how the customer's information will be permanently  
27 deleted;

28 (f) whether such information is recoverable under FOIL;

29 (g) whether such information will be made available in criminal inves-  
30 tigations and whether the sheriff's office may gain access to such  
31 information, including the procedure for obtaining such records; and

32 (h) anything else that the commission deems appropriate and necessary.

33 5. Each utility must notify all customers who may be affected by the  
34 pilot program of the following:

35 (a) an explanation of the smart meter program;

36 (b) customer rights under the smart meter program;

37 (c) the right to opt-out;

38 (d) information on the radio frequency used in smart meters;

39 (e) an explanation of smart meter technology privacy concerns;

40 (f) the benefits/purpose of the smart metering program; and

41 (g) anything else the commission deems necessary and appropriate.

42 § 254. Installation of smart meters. 1. Any residential customer who  
43 owns property on which a smart meter or any other two-way meter has been  
44 installed whether through a pilot program or otherwise may request, for  
45 a reasonable fee to be determined by the commission in a separate  
46 proceeding, that the utility remove the smart meter and replace it with  
47 a digital, non-communicating meter. As long as the smart meter was  
48 initially installed at the discretion and expense of the utility compa-  
49 ny, and was done without the written authorization of the residential  
50 customer, such request will not be unreasonably denied by the utility  
51 company, and any denial of such request will be accompanied by written  
52 justification. Pursuant to section two hundred fifty-five of this arti-  
53 cle, the utility company may require a reasonable fee ("opt-out fee") to  
54 replace a smart meter with a non-smart meter. The reasonable fee will be  
55 based on, among other things, the location of the premises, and other

1 requirements as determined by the commission, and will include both a  
2 one-time replacement fee and a monthly service fee.

3 2. Any residential customer within the service territory of a utility  
4 that has adopted a smart meter installation program, is installing or  
5 has installed smart meters or any other two-way meter, or intends to  
6 install smart meters, has the right to be notified in writing of any  
7 smart meter upgrades/replacements or installations at least sixty days  
8 prior to the earliest possible installation of same.

9 (a) Such written notification shall contain all information required  
10 to be disclosed pursuant to this section and shall contain a bold and  
11 conspicuous "opt-out" option exempting the residential customer from the  
12 program free of charge.

13 (b) If a person chooses to "opt-out" of receiving a smart meter, the  
14 utility is prohibited from contacting that same customer regarding smart  
15 meter installation for a period of two years.

16 (c) However, if a residential customer who "opts-out" of receiving a  
17 smart meter installation then moves, relocates, changes residence, or  
18 dies, then the prohibition on installation of a smart meter at that  
19 premises shall be immediately voided.

20 (d) Further, in the event that a residential customer who has "opted-  
21 out" wishes to relocate to a premises on which a smart meter is already  
22 operating, such residential customer shall make a new request that the  
23 smart meter be replaced, and must re-pay the reasonable fee.

24 (e) The commission is authorized to consider a discount or waiver of  
25 the fees mentioned in this section if it determines that the customer is  
26 within a vulnerable class, including customers who are veterans or are  
27 unable to afford the opt-out fees.

28 3. Subdivisions one and two of this section shall not affect any util-  
29 ity's existing rights except as to smart meters that have already been  
30 installed.

31 § 255. Cost-recovery. The commission shall commence a separate  
32 proceeding to allow reasonable cost-recovery for utilities to implement  
33 the pilot program as set forth in this article. Any cost recovery fee  
34 or fees shall be determined by the commission.

35 § 3. This act shall take effect immediately.