

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1463

(Delegate Glass, *et al.*)

Economic Matters

**Gas and Electricity - Analog, Digital, and Smart Meters - Meter Exchange and
Transmission of Information**

This bill requires a gas company, an electric company, or a gas and electric company (“utility”) to exchange an analog, digital, or smart meter for one of the other types upon written request from a customer. A utility may not charge or penalize a customer for requesting the exchange. A customer with a digital or smart meter must have the opportunity to choose whether the meter transmits information to a utility continuously or only when the utility transmits a signal to the meter.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations.

Local Effect: The bill does not materially affect local government finances or operations.

Small Business Effect: Minimal.

Analysis

Current Law: In general, a person may not furnish or put in use for revenue billing purposes a gas or electric meter unless the Public Service Commission (PSC) has authorized the meter’s use. By written request, a customer may compel PSC to inspect and test the customer’s electric or gas meter. PSC regulations pertaining to the metering of electricity specify that all electricity sold by an electric company must be on the basis of meter measurement, except for installations where the usage is constant and the consumption may be readily computed, or as otherwise provided for in its filed tariff rates.

A meter may not be installed if it is mechanically or electrically defective, has incorrect constants, or has not met testing requirements. Meters must be read approximately monthly unless otherwise authorized by PSC.

Background: The State has largely completed the process of transitioning to smart meters as the major electric companies have mostly replaced traditional analog meters with smart meters under plans authorized by PSC. PSC authorized Baltimore Gas and Electric Company to deploy smart meters in August 2010, authorized Pepco in September 2010, and authorized Delmarva Power and Light in May 2012. The Southern Maryland Electric Cooperative and the Choptank Electric Cooperative also have smart meter programs.

Advanced metering infrastructure (AMI), which includes “smart meters” replacing traditional analog meters at customer residences, is seen as a key component for enabling smart grid technology. The deployment of AMI enables customers to see and respond to market-based pricing. Smart grid technology incorporating AMI can assist in increasing grid reliability, reducing blackout probabilities, reducing forced outage rates, and can also help to restore power in shorter time periods.

However, there remains some concern about the widespread deployment of smart meters, particularly in relation to customer privacy and safety. Several bills have been introduced in recent years (all failed) to address some of these concerns through customer opt-outs and various studies. PSC also allowed customers to decline smart meter installations in May 2012 and subsequently reaffirmed that decision in February 2014.

Additional Comments: Any costs associated with “no charge” meter exchanges will eventually be passed through to all ratepayers in the form of higher utility rates.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Public Service Commission; Department of Legislative Services

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