

Council Meeting Staff Report

January 16, 2019

Agenda No.:	7.A
Indexes (Council Goals):	BCC - N/A
Presenters:	Bob Westervelt
Legislative File:	11570-19

Title

Board of Public Utilities (BPU) Policy Regarding Smart Meter Opt Outs

Recommended Action

I move that the Board of Public Utilities adopt the proposed policy regarding Smart Meter Opt Outs as presented and forward to the Council for review and approval.

Staff Recommendation

Staff recommends that the Board approve as presented.

Body

In November, 2018, the Board of Public Utilities approved Services Agreement AGR19-912 with Ferguson Incorporated for system wide deployment of Advanced Metering Infrastructure. During previous discussions on the project, some concern was raised by members of the Board and the public regarding potential public disclosure under New Mexico Sunshine laws of a customer's incremental usage data. As part of the approval motion, the Board revised its previously stated policy regarding opt outs, allowing customers to opt out if they desired to do so. It was stated that the details and procedure regarding that Opt Out policy would be developed, presented to, and approved by the Board before deployment of any meters.

At its regular meeting on December 18, 2018, the Los Alamos County Council approved the contract with the condition that the Opt Out policy be brought to them for review and approval before execution of the contract with Ferguson.

Metering, billing, and service procedures are normally established by a Rule of the Board. The Policy attached directs the Board to adopt a Rule with the parameters and features stated, which address the concerns and considerations that have previously been raised by the Board, Council, and members of the public.

Alternatives

The Board could elect to revise the policy, or direct staff to do so. Since Council approval of the contract is contingent on approval of an Opt Out Policy, the Board could also elect to cancel or postpone the project indefinitely until the Board and Council have reached consensus on the policy proposed. This later alternative would result in cancellation of the existing contract and resoliciting of the project at a future time, which would significantly and negatively affect the economics of the project as well as delay realization of the numerous other benefits afforded by the project.

Fiscal and Staff Impact

The fiscal and staff impact of allowing for Opt Outs was discussed with consideration of the contract and depend significantly on the number of customers that choose to opt out. Analysis indicates the

economic payback of the project falls somewhere between 5 years if minimal customers elect to opt out and we can realize the full reduction in staff positions planned, and 14 years if the number of opt outs results in no staff reductions at all. All indications are, based both on current customer feedback and historical experience with the prior AMI project in 2012, that we will see a minimal and manageable level of opt outs and realize fully the significant economic benefits previously indicated. There are no significant additional impacts resulting from approval of the policy suggested.

Attachments

A - Proposed BPU Policy Regarding Smart Meter Opt Outs