

SMART
GRID
NEWS.COM

News and analysis for the modernization and automation of electric power

Search: Q

Get SGN's free email alert ▶

Contact | Advertise | Advanced Search
What's in the SGN email? [Twitter](#) [Facebook](#) [LinkedIn](#) [RSS](#)

[HOME](#) | [NEWS](#) | [PROJECTS](#) | [BUSINESS](#) | [T&D](#) | [END USE](#) | [TECHNOLOGIES](#) | [KEY PLAYERS](#) | [VIDEOS](#) | [EXTRA!](#)

What it says can change energy consumption habits forever.

Wiser™ Energy Management System

Spotlight

Ouch! Illinois governor dumps smart grid bill

Sep 13, 2011 - [Talk Back](#) [Free Email Alerts](#) [More On This Topic](#)

1

Quick Take: We saw PG&E struggle to sell smart meters to consumers. And Xcel struggle to prove the value of [smart grid to the citizens of Boulder](#). Now ComEd is struggling to prove the value of smart grid to regulators and policymakers. Maybe what the smart grid needs most is a good PR agent. - **By Jesse Berst**



Illinois Gov. Pat Quinn, citing an excessive financial burden on consumers, "sweetheart deals" and no guarantees of improved service, knocked down legislation that would have paid for the widespread installation of [smart meters](#) and other electric grid improvements.

"More than 1.5 million people and businesses have had to deal with power outages and service disruptions this summer," Quinn said in a press release issued by his office. "Now these same utilities are trying to change the rules to guarantee themselves annual rate increases and eliminate accountability. I will not support a bill that contains sweetheart deals for big utilities, which could leave struggling consumers to pick up the tab for costs such as lobbying fees and executive bonuses."

He added that the state could ensure continued innovation and investment in the electric grid and create new jobs "without compromising core safeguards for Illinois consumers." Attorney General Lisa Madigan commented "This bill would have been devastating for consumers."

While the governor and attorney general described the bill as a consumer protection issue, Chicago-based Commonwealth Edison has said customers could save \$2.8 billion on their electric bills over the 20-year life of the meters. That was one of the takeaways from a recent Black & Veatch [analysis](#) of a ComEd smart meter pilot project. It said costs would be more than offset by benefits.

ComEd also has said it could have responded more quickly and efficiently to restore power after recent outages if smart grid technologies had been in place.

Jesse Berst is the founder and chief analyst of Smart Grid News.com. He consults to smart grid companies seeking market entry advice and M&A advisory. A frequent keynote at industry events in the US and abroad, he also serves on the Advisory Council of Pacific Northwest National Laboratory's Energy & Environment directorate.

You might also be interested in ...

[Smart meter bonanza - ComEd may save \\$3 billion by finding energy deadbeats](#)
[Could a smarter grid have helped when Irene hit?](#)

Talk Back to the Author Current Comments (11) [Leave a Comment](#) ▼

>> **Click Here**

Download your **FREE** copy of "Five Ways to Build Excitement for the Smart Grid"

Schneider
Electric

New to SGN?
Take a tour >

Smart Grid News Updates
Is Xcel better off without Boulder?

EXPRESS MENU

READER FAVORITES

[Latest news](#)
[Commentary](#)
[Hot topics](#)
[Conference calendar](#)
[Smart Grid News Talk Forums](#)
[Smart grid 101](#)
[Webinars](#)

MOST POPULAR

[Asset management](#)
[Building automation](#)
[Business case](#)
[Command and control](#)
[Communications technologies](#)
[Customer care](#)
[Demand response](#)
[Demand side management](#)
[Distributed generation](#)
[Distribution automation](#)
[Energy efficiency](#)
[Electric vehicles](#)
[Global smart grid](#)
[Grid optimization](#)
[Home area networks](#)
[IT and back office](#)
[Lessons learned](#)
[Markets and pricing](#)
[Meter data management](#)
[Microgrids](#)
[Policy and regulation](#)
[Projects](#)
[Renewable energy](#)
[Research and development](#)
[SCADA](#)
[Security](#)
[Smart grid companies](#)
[Smart homes](#)
[Smart meters](#)
[Standards](#)
[Storage](#)

Great Decision

The proposed savings were ridiculous. Good financial policies (require security deposits) and a proactive and aggressive account receivables department would be equally effective. It sounds like the ComEd executives are incapable of running a utility.

Todd Sumner - 09/14/2011 - 06:50

Evangelize or Perish!?!

Jesse...not maybe, the industry DEFINITELY needs not just PR but REAL marketing. Some of the things I'm hearing at this Grid Week conference are the SAME EXACT issues I heard at the February DistribuTECH conference in February. Every, and I mean EVERY, keynote speaker and Roundtable has emphasized one salient point, and that point is this..."we need to focus on the customer, and not the technology, if we are going to be successful in making Smart Grid a reality any time soon."

For example, and I quote from Hydro Ones' Laura Formosa's keynote speech "We need to provide our customers with a simple, compelling narrative...and that is THE challenge" and PEPCO's Joe Rigby followed the next day with this "...this is not a technology experience" i.e. it's about the customer. And almost every session I attended reiterated this sentiment.

My point is this, if we are ever going to reach the customer effectively and gain the adoption we are looking for, we must do what every other provider of a service or product must do if they want people to be aware-of, and embrace, their product or service. We must evangelize the products and the services to our customers consistently and forcefully. The message must be simple and compelling and the industry NEEDS to be on the same page with each other. This doesn't mean that we hype the benefits beyond expectations but it DOES mean that we have to drive the right messaging across all possible mediums...and with great transparency...starting NOW.

As an engineering biased industry, we have to understand that the marketing of what we're doing is essential (NOT A NECESSARY EVIL), and indeed, every bit as important as the technology we're trying to deploy. Having been in the marketing function for high tech and consumer products companies for the past 30 years, I can tell you the tech industry had this same struggle in the early 90's, and I see this situation with many parallels.

Andy Fitzpatrick - 09/14/2011 - 07:19

Long term rosy dreams are bound to fail

Dear Jesse,

Marketer love to hype the figures and bring into unrealistic world. Here some one is talking in Billions in 20 years and that is too considering all consumer.

They simply failed to address that consumer simply understand what is in me, in what period i will recover the investment.Who will do investment in the hope of 20 years.

Utility also trying to recover the cost of meters from consumer while they are also going to benefited out of this...so why not share the cost.

real benefits are not shared in simple, short and stupid way.

for example in Germany, Car owner have to follow specific norms EUROII. for this Govt gave financial benefit to owner and encouraged them get fitted the catalyter. recovery period was with in 3 years.

for a consumer, just buying the meter will not serve purpose so much. He should buy other devices also which work efficiently.

Once again simple question come that why he(consumer) should buy and what are the issue from consumer side. We technocrates, marketer.....and all who associated with smart grid mission just looking from our view only.

Yogesh Nama - 09/14/2011 - 09:02

No amount of PR can save smart meters

Meters are important because they measure total usage, which is important for billing. It would be great if a smart meter could provide the customer with ancillary services, such as Energy Efficiency and Demand Response, which would indeed justify their cost. But they don't, and can't. Smart meters report total usage, but Energy Efficiency and Demand Response don't care about total usage. EE and DR care about current usage. And you can't determine current usage without real-time telemetry, which means broadband. The only way to effectively do EE and DR is to use devices that measure current usage for individual loads (eg thermostats), report it to servers, which then control these loads in real time. Further, EE and DR does not care about whole home usage; it cares about individual loads that can be controlled; which

**Strategy
Transmission
Utility resources**

THE TUESDAY TOPIC

Is Xcel better off without Boulder?

Citizens in Boulder, Colorado passed a referendum earlier this month that moves the city toward formation of its own municipal utility and away from Xcel Energy, builder of Boulder's SmartGridCity. Some think the two sides will eventually reconcile. But SGN Analyst Jesse Berst wonders if that's in Xcel's best interests.

[Join the discussion >>](#)

© 2010 SmartGridNews

cannot be done with a smart meter. Smart meters and the corresponding AMI networks, simply cannot deliver on the promise, no matter how much PR and marketing is done. Smart meters are already obsolete. Welcome to the world of the Internet.

R Perry - 09/14/2011 - 09:05

PR only works when the product actually works

"We must evangelize the products and the services to our customers consistently and forcefully." Andy Fitzpatrick

Really Andy?!? Forcefully sounds like you and the industry know a lot more than any individual or elected official and we must make them see the light.

Jesse, PR only works when the product does. We have lived in the hype and expectation of smart grid but now are seeing the benefits have been trumped up by the technology intoxicated among us.

Prepaid billing plans have been shown to save 10-20% of energy usage because the consumer is aware of their usage and most plans can be implemented without smart meters or their exorbitant costs. Yogesh is absolutely right, show me a pay back in five years or less consistent with other private industries or if the smart meter related outage management costs are so compelling let the utility bear the costs and reap all of the savings.

As the chief engineer for my utility I still can't see a compelling case for smart meters that even come close to outweighing the costs.

Governor Quinn made the right call. Let's slow down and find the best solutions not just the popular ones.

Richard Damiano - 09/14/2011 - 09:34

PR or Architecture?

This is a WIN for the customer and the vendors inside the competitive market.

A loss for meter companies who own a monopoly at the edge of the grid.

Why not allow each consumer buy a meter of their choice and let the best solution win?

mike trust - 09/14/2011 - 13:48

Smart Grid PR

Jesse

I appreciate what you are saying about PR, but that term is unfortunately ill suited for the utility industry. While utilities have thousands and sometimes millions of customers, they more often than not they see only one customer, the regulator. Understandably so, since the regulator is who decides their revenues, ROE and net earnings. They sign off on major capital investments, like SG of course.

So while there are varying efforts to engage customers, the reality is that individual customers have essentially no effect on how much a utility earns. As a result it is an industry that is not accustomed to customer engagement. That is not to say that utilities do not care or are not earnest about their customers. Its just that they always have the imposing presence of the regulator to account for.

Regulators are well meaning people, and they have a responsibility to try and make sure that all are treated fairly, all sorts of customers and the utility itself and its shareholders. In the end this is a very imperfect system, filled inefficiencies and affected by human frailty. Competitive markets do not have those problems.

Having that cultural context, we have to look for ways to bridge the PR divide differently than perhaps ever before in business.

I know the effort has been made to get together and dialog with the regulatory community, though I believe we would all admit that has not been a resounding success. Second the utilities have to stop thinking like utilities when it comes to engaging customers. There are already notable examples where that is happening but it is still far from a common trait.

The problem for many of your readers, is that they are the third or perhaps fourth wheel in this relationship. Technology vendors are on the outside of the "utility regulatory scrum". Don't know just yet how to pull it off, but those of us in the vendor community have to find a way to be diplomats and help bridge this divide.

David O'Brien - 09/14/2011 - 14:12

Let's Let Meters Be Meters

Utilities are not marketers, and they probably will not become marketers - not successful ones, at least - anytime soon. They have already committed Marketing Mortal Sin #1: Over-promising & under-delivering. But it's not a blame game at this point, but rather a re-calibration game. Let's stop trying to make meters the center of the universe and get back down to Earth where a meter is just a meter. That doesn't mean it shouldn't embrace technology - but it also shouldn't attempt to exploit it beyond the issues at hand. I believe that we could have avoided this whole ugly debacle if utilities had simply said: "Dear Mr & Mrs Consumer, You have a very old meter that is well past its prime and needs to be replaced. Your utility will be replacing all of these old meters over the next [X] years with new ones that are better, more accurate and will help to bring your power into the 21st century. We will provide more information to you as things progress." (That's positive marketing.)

M.A. Marullo - 09/14/2011 - 15:04

The problem is..

the consumer doesn't really see any benefit to having a smart meter. IMO the average "ratepayer" (emphasis on payer) really doesn't want to spend their time getting more involved with managing their electric use. Most consumers won't even bother to program their thermostat. So it's really hard to get anyone except utilities, their suppliers, their consultants, and their regulators excited about the technology.

Mark Henwood - 09/14/2011 - 17:14

Let's Let Meters Be Meters

I agree totally. Let the meter be a meter. I have stated over and over, more intelligence brings more system failures which cause individual outages and hassles for the electric company and the customer.

Electricity pricing is independent of the meter. Adding all the hardware/software to a meter puts the network demarc of a building on the outside of the building rather inside the power panel which owns the circuits and knowledge of who is using how much power.

This is a way the meter companies can show the power companies how to raise taxes and get the public to pay for their lack of foresight to upgrade an aging core of the grid.

For years the power companies and consultants were told that the internet protocols would not work in their business model.. hence, keeping vendor products proprietary and pricing elevated over other Internet devices.

This has now been proven incorrect and is being shown that 1) the utility and meter vendors don't understand how to build multi-purpose networks and 2) that all they really want to do is protect their industry return-on-investment.. keeping competition out..

mike trust - 09/14/2011 - 17:47

Illinois governor slaps down smart meters

Lets be honest: 'smart' meters are nothing more than the latest excuse for someone else to join the Billionaire's Club. It has nothing to do with energy efficiency, or "modernization of the grid," and certainly has serious potential health implications.

As several international scientists testified before Canada's Parliamentary Standing Committee on Health last fall, there is a large body of scientific studies going back as far as the Cold War linking various biological effects with low-level microwave (radio-frequency) radiation.

Claims that 'smart' meters only emit signals 4-6 times per day at levels below 600 microwatts per square centimeter have proven false. Magnetic field meters have measured peaks or 'spikes' transmitting at thousands of times that level, dozens of times per hour, which is already considered too high by some scientists.

It's sad that in our rush to profit there is nothing anywhere in this discussion regarding the potential impacts on public health. There are already people being made homeless because they are electro-hypersensitive (EHS), a recognized disability that affects up to 3 percent of the population severely and 25 percent moderately. That figure is expected to rise according to Dr. Olle Johansson and Dr. Lennart Hardell as more and more wireless RFR is rolled out.

So, what price are we willing to pay to be rich?

Art Joyce - 09/15/2011 - 12:15



Leave a Comment

New to this Blog? [Need some help?](#)

Email:

[?]

We will send you an email with an approval link you must click for your comment to appear.

Full Real Name:

[?]

Real comments need a real name.

Subject:

[?]

Please provide a short subject for your comment.

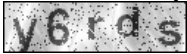
Comment: [?]

Do not post commercial/sales messages here. They will be deleted. Try:

pr@smartgridnews.com

PLEASE NOTE: All HTML codes will be removed from your comment.

CAPTCHA Security Code



The numbers (0) and (1) are not used.

[?]

Please type the characters you see into the box above.

Remember my name? (Uncheck to forget.)

You can not edit or delete your comment once it is posted. Please check for spelling now.
Your IP Address is: 69.171.161.241