

A presentation to Illinois State University IRPS Fall Conference

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AMI METERS: BENEFITS, COMPARISONS, AND COSTS



Real Possibilities

About AARP

AARP, with its nearly 38 million members (including 1.7 million in Illinois) is a nonprofit, nonpartisan organization, with a membership of nearly 38 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse.

We advocate for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; www.aarp.org; AARP TV & Radio; AARP Books; and AARP en Español, a Spanish-language website addressing the interests and needs of Hispanics.

Learn more at www.aarp.org.

Demographics

- **Fixed or limited incomes**
- **Rely on Social Security**
- **No COLA for SS recipients**
- **Already facing higher taxes (higher property taxes in Chicago, higher water and sewer taxes).**
- **Not a good time to also artificially increase electricity rates**

Utility Trends

- **Flat or declining electric sales**
- **Low wholesale power prices**
- **RTO rate impacts, mission creep**
- **Low natural gas prices**
- **Illinois electric rates now lower than WI**
- **Industry consolidation**

What Customers Want

- **Fair and affordable rates**
- **Pilot or study first**
- **Options**
- **Savings**
- **Ease of understanding**
- **The ability to talk to real people in everyday language**

AMI

- **NY: Con Ed \$1.4 B cost, customer engagement plan required**
- **NM: \$800 million cost, PNM withdrew request**
- **CO: Xcel proposal**
- **MD:AMI surcharge rejected**
- **OK: OGE approved with peak time rebate**

AMI Concerns

- **Utility benefit is clear but what are the benefits to consumers**
- **Will voluntary TOU be offered?**
- **What is the cost to consumers?**
- **Will the rate impact be immediate but the roll out plan span several years?**
- **Would a pilot be better?**

New Math for the Customer Charge

- **Metering and billing costs traditionally recovered in the customer charge**
- **Poles and other distribution equipment into the monthly charge?**
- **Shifts more costs to low users**
- **Discourages conservation by lowering the volumetric rate**
- **Gives customers less control over their energy bill**



Demand Charges

- **Not mandatory anywhere in U.S. for residential customers**
- **Not coincident with peak**
- **Customers won't know when they are hitting their maximum demand**
- **Hard to respond to**
- **A new “gotcha” or fixed charge**
- **Voluntary TOU better?**

For further information

- [AARP.org/Policy Book](https://www.aarp.org/Policy-Book) (see Chapter 10)
- Contact: wmalcolm@aarp.org

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