

August 9, 2010

Department of Energy  
Office of General Counsel  
Attn: NBP RFI: Data Access  
1000 Independence Avenue, SW., Room 6A245  
Washington, D.C. 20585

**RE: Reply Comments to DOE Request for Information – Implementing the National Broadband Plan by Empowering Customers and the Smart Grid: Data Access, Third Party Use, and Privacy.**

Dear Sir or Madam:

Southern California Edison (SCE) appreciates the opportunity to provide Reply Comments to the National Broadband Plan Data Access, Third Party Use, and Privacy Request for Information (RFI). The RFI provides a national forum for comments on customer data issues and is an important step in developing national policies on such matters.

SCE supports policies that allow utilities and consumers access to customer energy data that enables benefits associated with smart meters and the smart grid. The RFI comments reflect general agreement among the vast majority of the parties with this policy, as well as others regarding privacy, security, third-party access, and the importance of smart meters and related infrastructure. Yet, the provision of *near real-time backhauled* energy usage information remains a significant issue and merits additional comment. SCE provides additional comments below.

**NEAR REAL-TIME INTERVAL USAGE INFORMATION**

SCE designed its smart meter program with a Home Area Network (HAN) to enable the provision of electricity usage data in *near real-time* directly to the customer. This *near real-time* usage information is updated through the HAN at *near real-time* intervals (e.g., every ten to twelve seconds). The HAN will send this information directly to securely linked or paired customer devices, and will not communicate *near real-time* usage data to SCE's back office or billing systems for validation, editing, and estimating. Instead, hourly interval usage data will be backhauled to SCE, validated, edited and estimated to produce revenue-quality interval usage data, which will be made available to customers on a next-day basis through SCE's web portal.

Providing *backhauled* data on a more frequent basis than next-day is not necessary given the HAN functionality, and will require additional ratepayer investments in infrastructure that would significantly increase ratepayer costs. Many other utility smart metering programs follow a

similar structure where *near real-time* information is provided directly to the customer wirelessly via the smart meter or local network device, and revenue-quality data is provided on a next day basis or even less frequently.

SCE's smart meter program provides customers with reasonable access to their interval electricity usage in *near real-time* through the HAN and at least cost to ratepayers. Even low-income customers who do not have or cannot afford broadband internet service can access their interval electricity usage in near real time via relatively inexpensive HAN devices. Such devices, some of which are already commercially available, are wireless and portable within the premise so that the consumer can see the effect on electricity usage of turning appliances on and off. The consumer can also program in the applicable electric rate structure to see not only interval usage data in *near real-time*, but how it translates to electricity costs in *near real-time*.

Thus, SCE submits that the costs and benefits of providing highly sophisticated and expensive technology above and beyond the approaches currently under implementation to yield *near real-time backhauled* information should to be assessed prior to any federal or state requirements. For example, SCE's smart meter will provide *near real-time* access to unvalidated usage information directly to a customer's device or computer (via a ZigBee enabled interface). However, the costs associated with providing validated, revenue quality usage data in *near real-time* would require a major overhaul of SCE's advanced metering system infrastructure. It is unclear that validated, revenue quality usage data in *near real-time* would provide benefits to ratepayers sufficient to justify the substantial costs involved, assuming that it is even technologically viable.

## PRICING INFORMATION

SCE believes that additional comment on pricing information would be helpful to DOE. The RFI referred to California's Smart Grid proceeding, which distinguished between the provision of wholesale and retail prices to customers. SCE believes that it is important to note that retail customers of the California investor-owned utilities (like SCE) pay retail prices, not wholesale prices, for their electricity. Hence, if a retail price to the customer at a particular instant is \$0.10/kWh and the wholesale price to the utility is \$0.50/kWh, the customer will consume based on the price they actually face (retail), not the price they do not face (wholesale). Similarly, consumers' driving habits are known to change when the retail price at the pump for gasoline changes, not when the wholesale price per barrel of oil changes.

In addition, retail prices of the California investor-owned utilities for electricity today are based on rates that are static rather than dynamic relative to real-time. Namely, the retail electricity price is known in advance by time period or consumption level, even for rates that are dynamic, such as critical peak pricing. Therefore, pricing signals could be provided on a day-ahead basis and could be accessed by customers in real-time on a day-of basis. Providing day-ahead retail pricing signals to customers (e.g., via the web) would be a more cost-effective option than continuously providing *near real-time* retail prices. Thus, SCE submits that the costs and benefits of providing *near real-time* pricing information outside of SCE's current smart meter functionality should be fully assessed and understood prior to issuing any recommendations or legislative requirements.

In SCE's view, retail pricing in *near real-time* is not useful information to most customers. SCE's market research indicates customers are far more interested in tools that will help them





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manage their electricity bills. To facilitate this, SCE plans to provide customers with bill-to-date and bill-forecast information, with optional alerts that notify customers when they are nearing their preset budget amount. In addition, customers on time-differentiated rates, such as critical peak pricing (CPP), or peak time rebate (PTR) programs, will receive day-ahead pricing signals. These are examples of *actionable* pricing information that will enable customers to save money and better manage their electricity bills. SCE recommends the consideration of customer-friendly tools and information that are in alignment with national policies and will not unreasonably increase ratepayer costs.

We thank you again for the opportunity to provide this information, and we look forward to working with the Department of Energy, Federal Communications Commission, and other interested parties on the development of customer energy information policies. If you have any further questions or need additional clarifications please contact me at (626) 633-3410.

Respectfully Submitted,

Lawrence M. Oliva  
Director, Tariff Programs and Services  
Southern California Edison