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## **Joint Statement on Smart Meters, 29 July 2009**

**DEUN and SEF call for a moratorium on the installation of “smart meters” until electricity retailers agree on how to make them really smart.**

### **What’s wrong with the new “smart” meters?**

Electricity retailers have started installing what they describe as “smart” meters. They plan to install 800,000 of these over the next three years, at a cost of about \$300,000,000.

But these meters are far from smart. They may help the companies make more money, but they will not help consumers to cut their power consumption or keep their power costs down.

A report by the Parliamentary Commissioner for the Environment explains why. It is available at

[http://www.pce.parliament.nz/data/assets/pdf\\_file/0007/3895/Smart\\_Meters.pdf](http://www.pce.parliament.nz/data/assets/pdf_file/0007/3895/Smart_Meters.pdf)

#### **1. No communication with consumers or appliances:**

These meters lack the capacity to communicate with the householder or, down the track, with “smart” in-house appliances. This means that no capability is being created for consumers to modify their consumption in response to real-time prices.

#### **2. No standard protocols for meters:**

There is no agreed way for meters to communicate with each other or with the meter reading infrastructure. This means that meters installed by one company will not be compatible with the meter-reading systems of other companies, setting up a serious barrier to competition.

### **3. High costs of retrofitting later:**

It will cost substantially more to retrofit communications capabilities to meters, or to exchange meters, than it would to provide these capabilities now. Consumers should not have to meet this cost.

Smart meters have been promoted as a vital means to reducing electricity consumption and supply costs by empowering consumers to control their use more effectively. But the meters being installed now do not have the capability to do that.

The Parliamentary Commissioner for the Environment concluded that companies **“are planning to omit the functionality that is key to delivering the environmental and consumer benefits”**.

Meters are long-life assets. Rolling out a fleet of these deficient meters now will lock New Zealand into a half-way house.

Decisions need to be made and implemented on common protocols and standards for smart grid architecture. All meters should be required to adhere to these before new meters are rolled out. To prevent New Zealand being caught up a dead-end, **there must be a moratorium on new meters until the essential ground work is done.**

### **Smart meters alone are not enough**

The shortcomings of the planned meters are only part of the problem. Smart meters are only one component of what is needed for:

- comprehensive modernisation of the electricity industry
- empowerment of consumers to control their electricity purchases.

Other smart grid technologies involve adding two-way communication capabilities and control systems to the electrical transmission and distribution systems. These can result in improved home energy management for the household, greater demand control for the electricity retailer, and a more reliable electricity supply overall.

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